



Recalibrating Government Agencies for Resource Efficiency and Economic Growth

A REVIEW OF NIGERIA'S 2024 FEDERAL
GOVERNMENT BUDGET OF RENEWED HOPE



BudgIT is a civic organisation that uses creative technology to simplify public information, stimulating a community of active citizens and enabling their right to demand accountability, institutional reforms, efficient service delivery and an equitable society.

Country Director: Gabriel Okeowo

Research Team: Iniobong Usen, Vahyala Kwaga, Adejoke Akinbode, Oluwatosin Iseniyi, Damilola Onemano, Oluwaseyi Adenuga, Ibukunolu James

Creative Development: Bukola Onwordi

Contact: info@budgit.org +234-803-727-6668, +234-908- 333-1633

Address: 55, Moleye Street, Sabo, Yaba, Lagos, Nigeria.

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Abbreviations

AAD:	Action Against Desertification
ABATTS:	Anti-Terrorist Battalions
ABP:	Anchor Borrower Programme
AfDB:	African Development Bank
AFD:	Agence Française de Développement
APP:	Agriculture Promotion Policy
ATA:	Agricultural Transformation Agenda
BCDA:	Border Communities Development Agency
CBN:	Central Bank of Nigeria
CBO:	Congressional Budget Office
CNG:	Compressed Natural Gas
CRR:	Cash Reserve Ratio
DSS:	Department of State Services
ERGP:	Economic Recovery and Growth Plan
FAO:	Food and Agriculture Organization
FDIs:	Foreign Direct Investment
FGN:	Federal Government of Nigeria
FinTechs:	Financial Technology Companies
FRA:	Fiscal Responsibility Act
GDP:	Gross Domestic Product
GOEs:	Government Owned Enterprises
HQRTS:	Headquarters
ICT:	Information and Communication Technology
I-DICE:	Investment in Digital and Creative Enterprises
IMF:	International Monetary Fund
IMTOs:	International Money Transfer Operators
IoT:	Internet of Things
IsDB:	Islamic Development Bank
ISF:	Infrastructure Support Fund
ITA:	Information Technology Agreement
LIFE-ND:	Livelihood Improvement Family Enterprise
L-PRES:	Livestock Productivity and Resilience Support
MDAs:	Ministries, Departments and Agencies
MPR:	Monetary Policy Rate

Abbreviations

MSMEs:	Micro Small and Medium Enterprises
NALDA:	National Agricultural Land Development Authority
NANNW:	National Association of Nigerian Nurses and Midwives
NBRRI:	National Building and Road Research Institute
NCAM:	National Centre for Agricultural Mechanisation
NEWMAP:	Nigeria Erosion and Watershed Management Project
NFDP:	National Fadama Development Project
NIA:	National Intelligence Agency
NITT:	Nigerian Institute of Transport Technology
NIOMR:	Nigerian Institute for Oceanography and Marine Research.
NMA:	Nigerian Medical Association
NNPC:	Nigerian National Petroleum Corporation
NPA:	Nigerian Port Authority
NSA:	National Security Adviser
NSPRI:	Nigeria Stored Product Research Institute
OPEC:	Organization of the Petroleum Exporting Countries
PMS:	Premium Motor Spirit
PPP:	Public Private Partnership
RAAMP:	Rural Access and Agricultural Marketing Project
REDD+:	Reducing Emission from Deforestation and Forest Degradation
SDG:	Sustainable Development Goals
SMEDAN:	Small and Medium Enterprises Development Agency of Nigeria
TETFUND:	Tertiary Education Trust Fund
UBEC:	Universal Basic Education Commission
UNESCO:	United Nations Educational, Scientific and Cultural Organization
VAT:	Value Added Tax
VCDP:	Value Chain Development Project
WASPRU:	West African Stored Products Research Unit
WEC:	Women Empowerment Collectives
WEE:	Women Economic Empowerment
WFI:	Women Financial Inclusion
WHO:	World Health Organisation

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Summary of Findings






A look at the sector allocations, shows the highest share of the total budget going to Security and Defense (13.38%), followed by Education (8.21%), Infrastructure (6.63%), Health (5.15%), Agriculture (3.51%), Social Development and Poverty Reduction Programmes (2.30%) and others (with a combined share of 2.19%).

Fiscally, by 2023 Nigeria had been playing fast and loose. The non-oil component of GDP showed retained capacity for growth but the bulk of export earnings still came from oil receipts. However minimal in 2023, the country experienced a Trade Surplus; a decline in Capital importation; severe growth in inflation; a decline in Household and Government consumption; and an increase in the number of poor people. As such, the 2024 budget of Renewed Hope would have to provide more than just hope.

President Tinubu commenced his administration with a 'bang' by verbally discontinuing the 'Frankenstein-like' petrol subsidy; moving to unifying the Naira-Dollar exchange rate and floating the Naira; lifting the CBN ban on forex access for the importation of 43 items; establishing the Presidential Committee on Fiscal Reforms, among other things. The President started out with a raft of policy changes and directions and ended the year with a N2.1tn supplementary budget, just before commencing the 2024 Federal Budget process.

The 2024 Approved budget is anchored on N28.78tn as total expenditure and N19.60tn as revenue: Debt service/Sinking Fund of N8.27tn, Recurrent (Non-Debt) expenditure is at N8.77tn, Capital expenditure is at N10tn. At the moment, the fiscal deficit is N9.18tn: the projected deficit represents about 50% of the federal government's expected revenue and 3.88% of projected GDP. A look at the sector allocations, shows the highest share of the total budget going to Security and Defense (13.38%), followed by Education (8.21%), Infrastructure (6.63%), Health (5.15%), Agriculture (3.51%), Social Development and Poverty Reduction Programmes (2.30%) and others (with a combined share of 2.19%).

However, the 2024 budget is ambitious not only in capital projects but also in the nature of line-item insertions by the National Assembly. A troubling aspect of the budgeting process that has no end in sight is the repeated insertions of projects into the budget. This singular act draws resources away from budget priorities to the personal fancies of Legislators.



Despite the Constitutional powers of appropriation granted to the National Assembly, it is BudgIT's considered view that the Legislature goes beyond its remit in jacking up the total expenditure of the budget. BudgIT maintains that these infamous Agencies and Parastatals-particularly egregious in warehousing these insertions-have no business having them in the first place.

BudgIT therefore urges, among other things, that citizens demand from their Legislators (both those in the Senate and the House of Representatives) a refraining from constant insertions, as the latter projects are not adequately monitored and do not go to the bottom line of transforming the lives of Nigerian citizens.

01

Macroeconomic Context

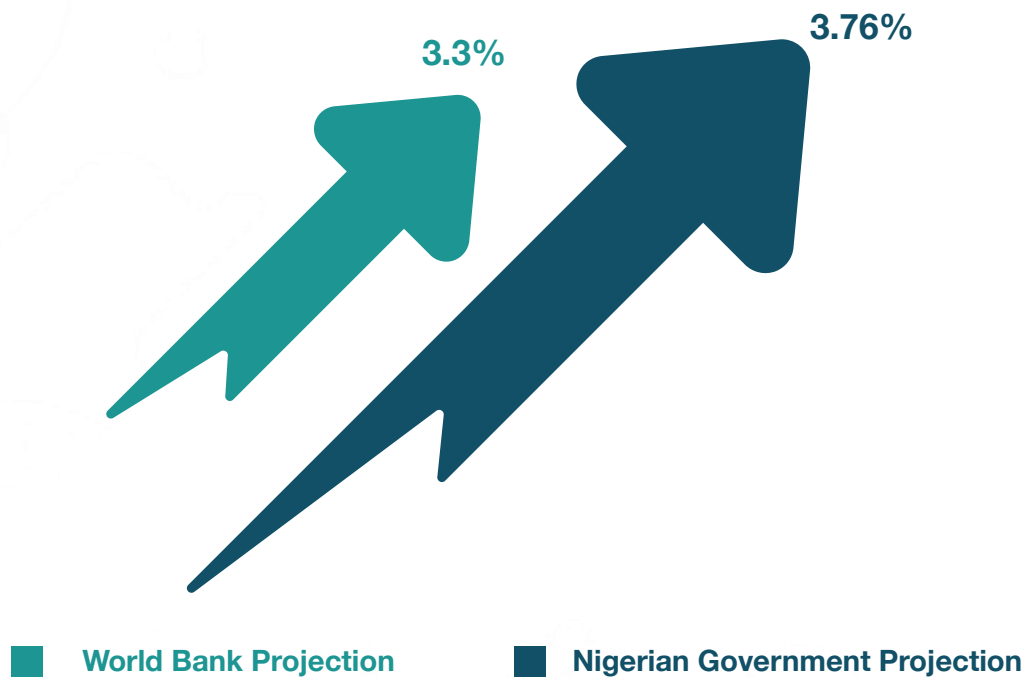




The most populous black nation in the world, Nigeria, got to the edge of the fiscal cliff in 2023. Facing potential bankruptcy, owing to a very weak revenue regime, a very expensive petroleum subsidy regime, and large fiscal deficits accompanied by a worryingly high debt service to revenue ratio, Nigeria required far-reaching fiscal reforms to prevent it from falling off the edge.

Amidst the shocks emanating from the discontinuance of the petroleum subsidy regime and the float of the naira, albeit managed, and exogenous factors like the Russia-Ukraine war and the Israel-Hamas war, the World Bank projects a 3.3% growth in Nigeria's economy in 2024. The Nigerian government, however, expects its economy to grow more aggressively by 3.76% in 2024.

Nigeria's 2024 Economic Growth



1.1

GDP Composition and Growth

Accounting for 25.18% of Nigeria's GDP in 2023, agriculture remains the largest single contributor to Nigeria's economy.¹ More broadly, industries and services contributed 18.65% and 56.18%, respectively, to Nigeria's economy in 2023.

Driven by information and communication, financial and insurance, trade, agriculture, manufacturing, construction, and real estate sectors, Nigeria's non-oil sector continues to grow as it experienced a 3.04% growth in 2023. Conversely, Nigeria's oil sector, despite a 12.11% growth in Q4 2023, had an average negative growth of 2.22%.

Although Nigeria's crude oil production increased to 1.55 million barrels per day in the fourth quarter of 2023, some of the legacy issues persist ranging from crude oil theft to declining investments in the sector, to vandalism of assets, and ailing infrastructure. In 2023, the non-oil sector contributed 94.6% to Nigeria's GDP, while the oil sector contributed a meagre 5.4%.

In 2023, the cumulative receipts of oil exports comprised 80.64% of Nigeria's foreign exchange earnings, signalling a very high dependence on oil exports for its foreign exchange earnings and very little diversification of the country's export revenue base.² Oil receipts remain largely below potential as Nigeria continues to experience a significant decline in its oil production volume, which stood at 1.55 million barrels per day (below its OPEC quota³) in the fourth quarter of 2023—a 22.5% decline from 2 million barrels per day recorded in Q4 2019. As a result of Nigeria's consistent failure to meet its quota, OPEC initially reduced the country's 2024 quota to 1.38 million barrels per day but revised it to 1.5 million barrels per day.⁴



In 2023, the non-oil sector contributed 94.6% to Nigeria's GDP, while the oil sector contributed a meagre 5.4%.

1- See the National Bureau of Statistics (September 2023), Nigeria Gross Domestic Product (Q4 2023), Federal Government of Nigeria. Available at: <https://nigerianstat.gov.ng/download/1241460>

2- See the National Bureau of Statistics (September 2023), Foreign Trade in Goods Statistics (Q4 2023), Federal Government of Nigeria. Available at: <https://nigerianstat.gov.ng/download/1241466>

3- Nigeria's Organisation of Petroleum Exporting Countries (OPEC) crude oil production quota for 2023 is 1.8 million barrels per day.

4- See "Nigeria agrees with OPEC to cut oil production by 2024", by Gbemi Faminu, on 25th June 2023, published in Business Day (Online). Available at: <https://businessday.ng/energy/oilandgas/article/nigeria-agrees-with-opec-to-cut-oil-production-by-2024/>

1.2 Foreign Trade in Goods

Nigeria experienced a 42% growth in the total value of its exports, from N18.9tn recorded in 2021 to N26.8tn in 2022.⁵ Year-on-year growth in exports resulted in a surplus trade balance of N1.2tn, a turnaround from the trade deficit of N178.3bn and N1.9tn, respectively, in 2020 and 2021. Despite Nigeria's export value increasing by 34.2% from 2022 to 2023, it recorded a trade surplus of just N44.77bn in 2023, because with imports growing by 40.36%, Nigeria's growth in imports year-on-year outpaced its growth in exports. Imports have significantly increased year-on-year from the pre-pandemic levels. Crude oil and natural gas comprised 80.64% of the country's export earnings in 2023, making Nigeria immensely vulnerable to oil and gas price shocks.

Patient capital has progressively eluded Nigeria as FDIs slumped by 63.28% from \$1.02bn in 2020 to \$377.33mn in 2023. Against the backdrop of Nigeria's volatile foreign exchange regime, portfolio investments declined year-on-year by 52.79% in 2023.⁶ However, the IMF projects investments to grow by 4% in 2024, 3.6% in 2025 and 4.9% in 2026.

The successive decline in Nigeria's capital importation is consistent with the steady drop in Nigeria's foreign exchange inflow, which stood at \$72.4bn in 2022—representing a 23.3% drop in the \$94.3bn received in 2021 and a 37.4% decline in the \$115.6bn received in 2020.⁷ Similarly, the supply of foreign exchange to the economy by the Central Bank declined year-on-year by 15.3% to \$15.3bn in 2022. As a result, the Central Bank was unable to meet current forex demand and accumulated forex forward obligation of close to \$10bn,⁸ leading to increased reliance by consumers on the parallel market for foreign exchange supply.



The successive decline in Nigeria's capital importation is consistent with the steady drop in Nigeria's foreign exchange inflow, which stood at \$72.4bn in 2022

1.3 Capital Importation

Capital flow into Nigeria has been on a steady decline for the past ten years, as seen with the 74.3% drop in capital importation from \$20.75bn in 2014 to \$5.33bn in 2022. Representing just 8.8% of total capital importation in 2022, foreign direct investments (FDIs) continue to decline.

5- Ibid.

6- See the National Bureau of Statistics (September 2023), Nigeria Capital Importation (Q4 2023), Federal Government of Nigeria, Available at: <https://nigerianstat.gov.ng/download/1241454>

7- Ibid.

8- See "CBN Begins Clearance Of \$10bn Forex Backlogs Of Foreign Airlines, Others", by Itsibor M., Aro-Lambo B., and Babalola Y., in October 2023, published by Leadership Newspaper (Online), Available at: <https://leadership.ng/cbn-begins-clearance-of-10bn-forex-backlogs-of-foreign-airlines-others/>



Precipitated by security challenges in Nigeria's food belt, foreign exchange scarcity, poor road infrastructure, high cost of transportation, and the Russia-Ukraine war, to mention a few, food inflation rose to 31.5%

As of September 2023, Nigeria's foreign exchange rate reserves stood at \$33.3bn, which at least provides sufficient cover for Nigeria's import bill for the next three months.

1.4 Inflation

Nigeria's headline inflation continues on an upward trend, increasing to 27.3% in October 2023, compared to the 26.7% recorded in September 2023. Contributing 14.2% and 4.6%, respectively, 'food and non-alcoholic beverages' and 'housing, water, electricity, gas & other fuels' remain the largest contributors to headline inflation. Precipitated by security challenges in Nigeria's food belt, foreign exchange scarcity, poor road infrastructure, high cost of transportation, and the Russia-Ukraine war, to mention a few, food inflation rose to 31.5%—7.8% higher than the 23.72% recorded in October 2022. To tackle the country's burgeoning inflation rate, the Central Bank of Nigeria (CBN) has continued on a contractionary monetary policy trajectory as a consistent increase in the Monetary Policy Rate (MPR)

has been accompanied by an increase in the Cash Reserve Ratio (CRR)—all in a bid to reduce money supply.

1.5 Consumption

Year-on-year, household consumption grew nominally by 20% from N108.5tn in 2021 to N130.1tn in 2022.⁹ In real terms, household consumption fell by 1.06% in 2019, grew by 1.56% in 2020, 25.6% in 2021 (denoting massive recovery from the COVID-19 pandemic year), and declined by 4.07% in 2022. Household consumption accounted for 74.2% of real GDP at market prices in 2019, 69% in 2020, 61.6% in 2021 and 64.3% in 2022. Propelled by the need to inject liquidity, embark on massive emergency health-related procurements, provide palliatives and grant bailouts to subnationals, the government's consumption increased in real terms by 61.6%, which represented a more significant growth than the 8.8% recorded in 2019.¹⁰

9- See the National Bureau of Statistics (May 2023), Nigerian Gross Domestic Product Report (Expenditure and Income Approach) (Q3, Q4 2022), Federal Government of Nigeria. Available at: <https://nigerianstat.gov.ng/download/1241328>

10- See the National Bureau of Statistics (October 2021), Nigerian Gross Domestic Product Report (Expenditure and Income Approach) (Full Year 2020 & Q1 - Q2 2021), Federal Government of Nigeria. Available at: <https://nigerianstat.gov.ng/download/1241082>



The IMF projects Nigeria's poverty headcount ratio to drop to 38.8% in 2024 and 38.1% in 2025.

Following the COVID-19 year, government consumption dropped significantly by 34% and 9.9% in 2021 and 2022, respectively. As forecasted by the IMF, government consumption is expected to increase by 12.1% in 2024 and slow down to a growth rate of 3.5% and 3.3%, respectively, in 2025 and 2026.

1.6 Poverty

The Nigerian government, through its National Development Plan (2021-2025), established a target to lift 100 million people out of poverty in ten years.¹¹ Similarly, it had planned to reduce the poverty headcount rate from 40% to 34% and increase the share of vulnerable Nigerians with digital identities from 10% to 95%. According to the national monetary poverty line, 40.1% of Nigerians are deemed poor, while 63% of Nigerians have been ascertained to be multidimensionally poor.

A disaggregated look at Nigeria's multidimensional poverty reveals that 72% of its rural population is poor, 46% of its urban population is poor and 90% of its children living in rural areas are multidimensionally poor.¹² The IMF projects Nigeria's poverty headcount ratio to drop to 38.8% in 2024 and 38.1% in 2025. For the projections to materialise, the country will need to tackle inflation (especially food inflation) head-on, provide social protection to the most vulnerable members of society and those who have been hit the hardest by the subsidy removal and unification of the exchange rate, address the infrastructure deficit, and invest massively in human capital development.

¹¹ See Federal Ministry of Finance, Budget and National Planning (2021), National Development Plan (NDP) 2021-2025, Volume 1, Federal Republic of Nigeria. Available at: https://nationalplanning.gov.ng/wp-content/uploads/2021/12/NDP-2021-2025_AA_FINAL_PRINTING.pdf

¹² See NBS Nigeria (2022), Nigeria Multidimensional Poverty Index (2022), National Bureau of Statistics of the Federal Republic of Nigeria, FCT Abuja. Available at: <https://www.nigerianstat.gov.ng/pdf/uploads/NIGERIA%20MULTIDIMENSIONAL%20POVERTY%20INDEX%20SURVEY%20RESULTS%202022.pdf>



02

Key Fiscal and Monetary Policy Interventions of President's Tinubu Administration



2.1 Discontinuance of Petroleum Subsidy

Delivering his first speech as the 16th President of Nigeria, Bola Ahmed Tinubu announced an end to Nigeria's petroleum subsidy regime. It cost Nigeria N8.94tn to subsidise premium motor spirit (PMS) between 2006 and 2015.¹³ In 2022, the country subsidised petrol with 44.7% (N4tn) of the amount spent subsidising petrol within the 10 years covering 2006-2015. The petroleum subsidy regime was riddled with corruption, made possible by the wide margin that existed subsidised the price of petrol within Nigeria's borders and the petrol price in the neighbouring countries surrounding Nigeria.

Owing to huge subsidy payments, the NNPC failed to remit oil receipts into the federation account in the first seven months of the 2022 fiscal year,¹⁴ leading to massive shortfalls off the government's balance sheets.

Ending the petroleum subsidy regime, which has resulted in a 324% increase in petrol prices in some parts of the country, has brought significant economic hardship on Nigerians (133 million of whom had been ascertained to be multidimensionally poor), but has created fiscal space for potential investments in other critical programs and projects that would better impact the lives of people. Whether the government decides to use a significant part of the savings from the petroleum subsidy removal for pro-poor programs remains to be seen.



The petroleum subsidy regime was riddled with corruption, made possible by the wide margin that existed subsidised the price of petrol within Nigeria's borders and the petrol price in the neighbouring countries surrounding Nigeria.

13- See "Petroleum Subsidy Removal: Costs, Payoffs and In-betweens", by Iniobong Usen, on 15 August 2023, published by Budget Foundation (Online). Available at: <https://budget.org/petroleum-subsidy-removal-costs-payoffs-and-in-betweens/>

14- See "NNPC fails to remit to FG for seven straight month" by Abubakar Ibrahim, on September 5, 2022, published in Business Day (Online). Available at: <https://businessday.ng/energy/oilandgas/article/nnpc-fails-to-remit-to-fg-for-seven-straight-month/>

2.2

Unification of Exchange Rate Window/Floating of the Naira

On June 14, 2023, the CBN announced the abolishment of the segmentation of Nigeria's foreign exchange market and the collapsation of all existing windows into a single Investors and Exporters window.¹⁵ In the same vein, it announced the re-introduction of the willing buyer, willing seller model where all foreign exchange transactions will be traded, determined by market forces. Hitherto the CBN announcement, Nigeria had run a multiple window foreign exchange regime with a pegged rate that saw the gap between the parallel market rate and the official market rate widen exponentially: The gap increased by 963% from N27 naira in 2015 to N287 naira in 2022.¹⁶ The aforementioned gap created an incentive for round-tripping. Having floated the naira, the aforementioned gap began to close as the rate in the Investors and Exporters window became market-reflective and determined by forces of demand and supply.

However, with persistent liquidity issues emanating from foreign exchange scarcity, the gap has begun to expand again, as individuals and businesses source for foreign exchange outside the formal market.

2.3

Lifting of Ban on 43 Items

On October 13, 2023, the CBN lifted the foreign exchange restrictions it had placed on the importation of 43 items in June 2015. Its reason for initially placing the restrictions on items was to protect local producers of those items and reduce the demand for forex for the importation of those items. That move by the CBN exerted pressure on the parallel market which drove the parallel market rates up and widened the gap between the pegged official rate and the moving parallel market rate.



Nigeria had run a multiple window foreign exchange regime with a pegged rate that saw the gap between the parallel market rate and the official market rate widen exponentially

15- See Central Bank of Nigeria (June 2023). Operational Changes to the Foreign Exchange Market [Press Release]. Available at: <https://www.cbn.gov.ng/Out/2023/CCD/Operational%20Changes%20to%20FX%20Market.pdf>

16- See Usen, I., Kwaga, V., Opaluwa, E. et al. (2023). Beyond Nigeria's 2023 Election: An Economic Prognosis. Budget Foundation. Available at: https://budget.org/post_publications/beyond-nigerias-2023-elections-an-economic-prognosis/



In January 2024, the Central Bank of Nigeria (CBN) issued two new guidelines on the operations of international money transfer operators (IMTOs) in Nigeria.

In addition, it had an inflationary effect on the price of those commodities,¹⁷ as the local capacity to produce was and is still grossly inadequate, which further reduced the purchasing power of consumers and pushed more people below the poverty line. The CBN affirmed that it removed the restrictions to ensure price stability and promote orderliness and professional conduct among all market participants.¹⁸

2.4

Establishment of the Presidential Committee on Fiscal Policy and Tax Reforms

Other reform efforts announced by the government, through the chairman of the Presidential Committee on Fiscal Policy and Tax Reforms include the use of technology “Data4Tax” to expand the tax net; increase the personal income tax exempt threshold and personal relief allowance; suspend the VAT on diesel and tax waivers on CNG, CNG conversion, and renewable energy items; and imposition of excise tax on foreign exchange transactions outside the official market; to mention a few.¹⁹

2.5

Removal of all Limits on Margins for IMTO Remittances

In January 2024, the Central Bank of Nigeria (CBN) issued two new guidelines on the operations of international money transfer operators (IMTOs) in Nigeria. According to the new guidelines, banks and financial technology companies (FinTechs) have now been prohibited from obtaining IMTO licences, while IMTOs have been limited to paying out diaspora remittances only in naira through either cash payments or bank transfers. Also, the CBN increased the IMTO licence application fee by 1900% from N500,000 to N10m.²⁰

17- The foreign exchange restrictions affected the following items: Rice, Cement, Margarine, Palm kernel, Palm oil products, Vegetable oils, Meat and processed meat products, Vegetables and processed vegetable products; Poultry and processed poultry products; to mention but a few.

18- See Central Bank of Nigeria (October 2023), What You Need to Know About CBN's Lifting of Forex Restrictions on 43 Items, Federal Republic of Nigeria. Available at: <https://www.cbn.gov.ng/Out/2023/CCD/FAQ%20on%20Removal%20of%20FOREX%20Restriction%20-%2043%20Items.pdf>

19- See Taiwo Oyedele (2023, October 24), Quick Wins Report [Thumbnail] [Post], LinkedIn. Available at: https://www.linkedin.com/posts/taiwoyedele_quick-wins-report-the-presidential-fiscal-activity-7122670000871489536-EB0y/?utm_source=share&utm_medium=member_android

20- See “CBN Issues New IMTO Rules for Remittances in Nigeria”, by Zaida Akindole, Victor Samelade, Victoria Aluko, on 2 February 2024, published in Templars Law (Online). Available at: <https://www.templars-law.com/app/uploads/2024/02/CBN-Issues-New-IMTO-Rules-for-Remittances-in-Nigeria.pdf>

2.6

Increasing the Monetary Policy Rate and Cash Reserve Ratio

In a bid to control soaring inflation, the CBN, on February 27, 2024, raised the Monetary Policy Rate (MPR) by four percentage points from 18.75% to 22.75% and the Cash Reserve Ratio (CRR) from 32.5% to 45%. The increase in MPR will lead to an increase in the cost of borrowing for government, businesses, and individuals which is expected to precipitate a decrease in the demand for money, reduce the marginal propensity to consume, and increase the marginal propensity to save. While the reduction in the demand for money is expected to positively affect inflation, it has the potential to slow economic growth as businesses will be discouraged from borrowing due to the interest rate hike. Similarly, the CRR was increased to tighten liquidity, reduce money supply, and tame inflation by reducing the banks' ability to create money through lending.



In a bid to reduce the cost of governance and improve efficiency in the public sector, the President, on 26 February 2024, announced the implementation of recommendations of the Orasanye report.

2.7

Rationalising and Restructuring Federal Government MDAs: Implementing the Oronsaye Report

In August 2011, the Federal Government of Nigeria established a seven-member Presidential Committee on the restructuring and rationalisation of Federal Government Parastatals, Commissions and Agencies headed by Mr. Stephen Oronsaye to create a roadmap for repositioning the federal civil service to make it more productive. In a bid to reduce the cost of governance and improve efficiency in the public sector, the President, on 26 February 2024, announced the implementation of recommendations of the Orasanye report which instructs that 263 of the statutory agencies be reduced to 161; 38 agencies be scrapped; 52 be merged and 14 be reverted to departments in various ministries. The recommendations appear obsolete as a lot more Ministries, Departments, Agencies and Commissions have been created from 2012 till date.

While the scrapping of some agencies will require the abolishment of the Acts establishing them which might take a bit of time to implement, the federal government can begin implementation by rationalising the existence of the agencies without establishment Acts and merge agencies with similar and duplicating functions. More importantly, reducing the cost of governance can be attained by cutting the number of aids, reducing the number of foreign trips and delegation to foreign trips, patronising made-in-Nigeria goods and services etc.

03

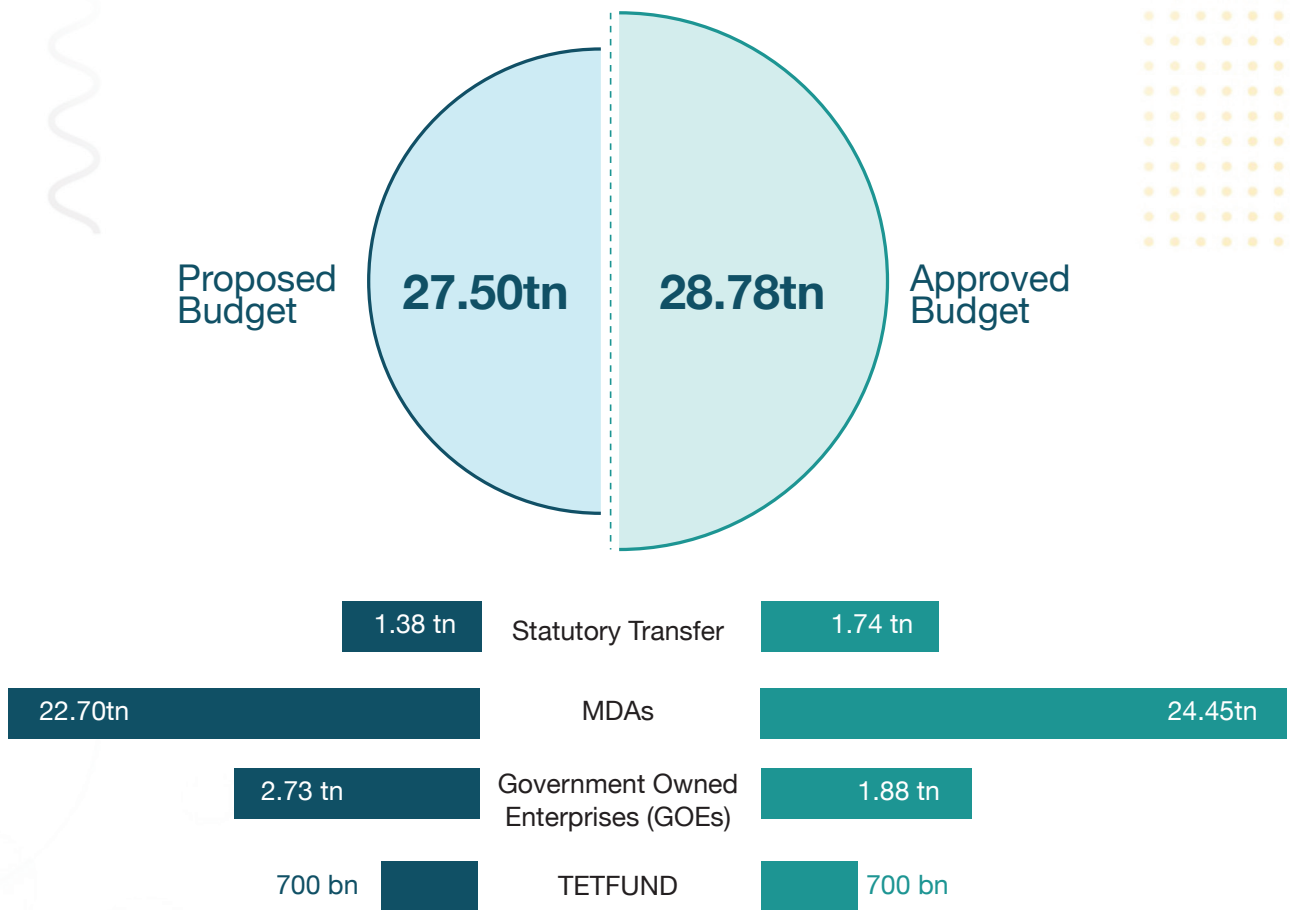
2024 Budget of
Renewed Hope







Figure 1: 2024 Federal Government Expenditure Summary



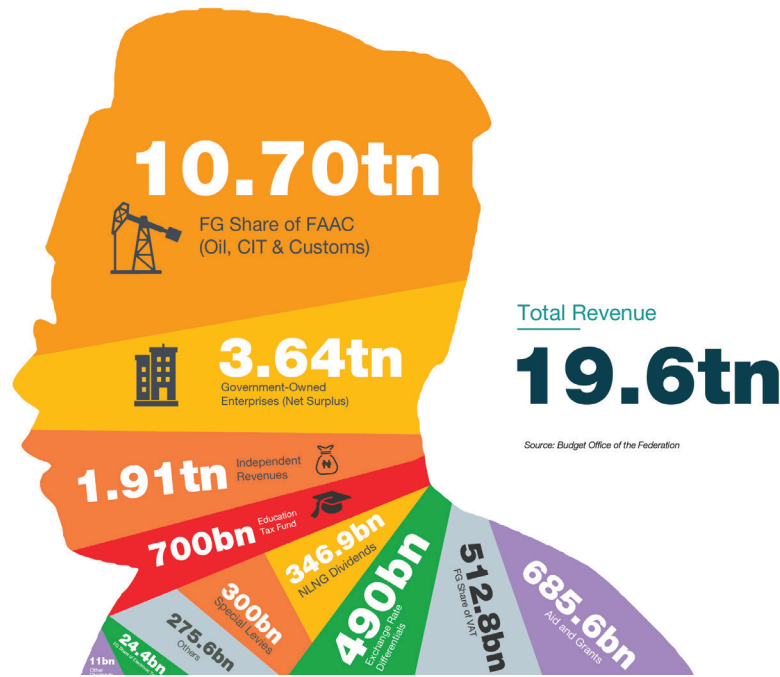
Source: 2024 Appropriation Act, Federal Republic of Nigeria

The President, Bola Ahmed Tinubu, submitted an appropriation bill of N27.50tn for the 2024 fiscal year before the National Assembly on November 29, 2023. The budget was reviewed and passed by the National Assembly and eventually signed into law by the President on January 1, 2024. A review of the 2024 Approved Budget shows that the National Assembly increased the Executive Budget Proposal aggregately from N1.27tn to N28.78tn.

A more disaggregated look at the approved budget reveals that the National Assembly cut the recurrent non-debt budget proposal (personnel, overhead, pensions, gratuity, and other social benefits) by N1.15tn from the proposed N9.92tn to the approved sum of N8.77tn. Similarly, the National Assembly reduced the recurrent debt budget (debt servicing) by N220bn from N8.49tn proposed by the executive to N8.27tn. Conversely, the National Assembly raised the capital expenditure budget by N2.28tn from the proposed N7.72tn to N9.995tn.

3.1 Revenue Analysis

Figure 2: 2024 Federal Government Approved Budget Revenue Breakdown



Source: Budget Office of the Federation

Source: 2024 Appropriation Act, Federal Republic of Nigeria

Compared to the N11.05tn expected in the 2023 fiscal year, the federal government's revenue in 2024 is expected to be in the region of N19.60tn; this represents a 43.62% (N8.55tn) increase. This amount is made up of the following: N11.24tn for share of net federation revenues, N3.65tn for retained earnings from government-owned enterprises (GOEs), N1.91tn for independent revenues, N700.00bn for the Education Tax Fund (TETFUND), N685.63bn for aid and grants, N490.00bn for exchange rate differentials, N357.92bn for "Other Revenue, Special Funds/Accounts-Receipts N300.00bn, Signature Bonus/Renewals N251.46bn, and Share of Oil Price Royalty N24.17bn. The 2024 share of Net Federation Revenues makes up 57.35% of the total FGN revenue. The share of net federation revenues is expected to contribute significantly to the overall revenue increase. This could be due to factors such as improved tax collection efforts, higher oil prices leading to increased oil revenue, or increased non-oil revenue collection.²¹

21- <https://www.thecable.ng/non-oil-revenue-has-tremendously-improved-says-accountant-general>

3.2 Expenditure Analysis

Figure 3: 2024 Federal Government Approved Budget Expenditure Breakdown



Source: 2024 Appropriation Act, Federal Republic of Nigeria

The entire budget of N28.78tn was set aside for the fiscal year 2024 and represents Nigeria's largest budget to date. The approved budget for 2024 is 24.15% more than the approved budget for 2023, which was N21.83tn. The 2024 budget breakdown shows that N10tn, or 34.75% of the total budget, has been set aside for capital expenditures, N8.77tn, or 30.47% of the total budget, has been set aside for recurrent expenses, and N8.27tn, or 28.74% of the total budget, has been set aside for debt service/Sinking Fund. The remaining N1.74tn has been earmarked for statutory transfers.



Precipitated by security challenges in Nigeria's food belt, foreign exchange scarcity, poor road infrastructure, high cost of transportation, and the Russia-Ukraine war, to mention a few, food inflation rose to 31.5%

The allocation to capital expenditure increased substantially by 40.3%, rising from N5.97tn in 2023 to N10tn in 2024. This, at face value, suggests a prioritisation of investment in infrastructure development, public projects, and long-term economic growth. Allocation to recurrent expenditure increased by 14.44%, from N14.89tn in 2023 to N17.04tn in 2024. Recurrent expenditure typically covers day-to-day operational costs, salaries, administrative expenses, debt service, and other recurring obligations of the government. Debt service, which refers to the payment of interest and principal on outstanding debts, is expected to increase by 20.68% to N8.27tn in 2024 from the N6.56tn projected in 2023. This indicates a higher allocation towards servicing the country's debt obligations, potentially reflecting an increase in borrowing or higher debt servicing costs. Statutory transfers, which include transfers to government agencies, institutions, and funds as mandated by law, grew by 44.4% from N967.5bn in 2023 to N1.74tn in 2024, suggesting an increased allocation to meet statutory obligations or fund specific programs and initiatives.

3.3

Fiscal Deficit

It's worth noting that a budget deficit can have both positive and negative implications. On the positive side, it allows the government to finance necessary investments and stimulate economic growth. However, a large and persistent deficit can lead to concerns about fiscal sustainability, increased debt burden, and potential inflationary pressures. The government's ability to manage the deficit and its impact on the economy depends on various factors, including the effectiveness of revenue generation measures, expenditure control, borrowing costs, and the overall economic performance of the country.

The federal budget provides for a N28.78tn budget expenditure and a N19.60tn revenue projection, leaving a deficit of N9.18tn. The projected 2024 budget deficit of N9.18tn, which is N2.42tn less than the N11.60tn projected in 2023. The projected deficit represents about 50% of the federal government's expected revenue and 3.88% of the projected GDP.

The projected deficit of 3.88% is higher than the 3% threshold outlined in the Fiscal Responsibility Act (FRA), 2007; however, it is still much lower than the level of 6.11% (Budget Approved + Supplementary) in 2023. The FRA of 2007 permits the government to surpass the 3% threshold in cases where legitimate national security threats warrant it.

As in previous years, borrowings are expected to be the main source of financing the 2024 budget deficit: N1.05tn from bilateral and multilateral loan drawdowns, N1.77tn from foreign sources, and N6.06tn from domestic sources. It is anticipated that privatisation will bring in N298.49bn. Considering the increasingly precarious debt burden amassed by the government, It is important to note that increasing the efficiency of revenue generation and improving expenditure efficiency are crucial steps in managing the government's debt burden and ensuring fiscal sustainability.

O4

Sectoral Analysis of the 2024 Federal Government Approved Budget





**Table 1: 2024 Federal Government Approved Budget
Summary of Key Sectors**

Sector	Personnel (naira)	Overhead (naira)	Capital Expenditure	Total (naira)	Total (\$)	% of the 2024 Budget Size
Security & Defense	2451.64 bn	289.64 bn	623.29 bn	3.85 tn	5.13 bn	13.38%
Defence	1.17 tn	135.54 bn	339.29 bn	1.65 tn	2.20 bn	5.73%
Ministry of Police Affairs	806.72 bn	62.40 bn	100.53 bn	969.65 bn	1.29 bn	3.37%
Police Service Commission	1.07 bn	281.42 m	144.54 m	1.50 bn	1.99 m	0.01%
Interior (Immigration, Civil Defence etc)	321.33 bn	41.22 bn	109.12 bn	471.67 bn	628.90 m	1.64%
National Security Adviser (NSA)	149.56 bn	50.20 bn	74.21 bn	273.97 bn	365.29 m	0.95%
Service Wide Vote				485.18 bn	646.90 m	1.69%
Education	1.07 tn	72.12 bn	1145.78 bn	2.36 tn	3.15 bn	8.21%
Ministry of Education (and 249 departments, agencies & parastatals)	1.04 tn	72.12 bn	480.78 bn	1.59 tn	2.12 bn	5.52%
TETFUND	35.00 bn		665.00 bn	700.00 bn		
Service Wide Vote				74.44 bn	99.25 m	0.26%
Health	771.56 bn	21.76 bn	542.95 bn	1.48 tn	1.98 bn	5.15%
Ministry of Health (and 125 departments, agencies & parastatals)	771.56 bn	21.76 bn	542.95 bn	1.34 tn	1.78 bn	4.64%
Service Wide Vote				145.63 bn	194.17 m	0.51%
Agriculture	102.24 bn	8.69 bn	900.22 bn	1.01 tn	1348.20 m	3.51%
Federal Ministry of Agriculture and Rural Development (and 46 departments, agencies & parastatals)	102.10 bn	8.15 bn	886.65 bn	996.90 bn	1329.20 m	3.46%
National Agricultural Land Development Authority (NALDA)	142.44 m	532.57 m	13.57 bn	14.25 bn	19.00 m	0.05%

*Sectoral Analysis of the 2024 Federal Government
Approved Budget*

Sector	Personnel (naira)	Overhead (naira)	Capital Expenditure	Total (naira)	Total (\$)	% of the 2024 Budget Size
Infrastructure	60.28 bn	29.98 bn	1818.72 bn	1.91 tn	2.55 bn	6.63%
Works	16.68 bn	22.70 bn	987.29 bn	1.03 tn	1368.89 m	3.57%
Power	4.59 bn	2.62 bn	411.15 bn	418.37 bn	557.83 m	1.45%
Transportation	17.72 bn	1.17 bn	91.18 bn	110.06 bn	146.74 m	0.38%
Aviation	8.24 bn	1.63 bn	47.36 bn	57.23 bn	76.31 m	0.20%
Water Resources	13.04 bn	1.86 bn	281.74 bn	296.64 bn	395.52 m	1.03%
Social Development and Poverty Reduction Programmes	133.92 bn	3.37 bn	125.54 bn	662.83 bn	883.77 m	2.30%
Humanitarian Affairs and Poverty Alleviation	133.92 bn	3.37 bn	125.54 bn	262.83 bn	350.44 m	0.91%
Others (Service Wide Votes)				400.00 bn	533.33 m	1.39%
Solid Minerals Development	2.65 bn	1.68 bn	26.91 bn	31.24 bn	41.65 m	0.11%
Science, Technology & Innovation	50.68 bn	5.23 bn	309.36 bn	365.27 bn	487.02 m	1.27%
Industry, Trade and Investment	19.07 bn	3.32 bn	166.11 bn	188.50 bn	251.33 m	0.66%
Communication and Digital Economy	20.25 bn	698.58 m	7.81 bn	28.76 bn	38.35 m	0.10%
Women Affairs	1.63 bn	796.72 m	12.06 bn	14.48 bn	19.31 m	0.05%

4.1

Security and Defense

Security and defence have featured on the top agenda of every President since the country's return to democratic rule in 1999. However, despite huge resources allocated to that sector over the last 2 decades, widespread insecurity remains a bane and has metamorphosed into a hydra-headed monster sniffing economic and social breath out of a significant part of the country. From the destruction of lives and livelihoods by religious extremists and terrorists in the Northeast, to ransacking of entire communities and kidnapping of villagers by bandits in the Northwest, to fatal farmer-herder clashes in the Northcentral, to militancy, oil theft and the vandalism of oil and gas assets in the South South, to outright mayhem and restriction of freedom by secessionist groups in the Southeast, to armed-robbery, cult clashes and kidnapping in the Southwest, Nigeria is plagued with security challenges that pose an existential threat and stifle economic growth.

Just like his predecessors, President Tinubu, through his campaign manifesto had promised to recalibrate Nigeria's national security architecture, obliterate terror, kidnapping, banditry, and all other forms of violent extremism from the face of our nation. More specifically, he committed to creating anti-terrorist battalions (ABATTS) with special forces units; upgrade tactical communication and transportation equipment; ramp up domestic production of military hardware and equipment, including small arms and ammunition; improve the welfare of frontline military and security personnel; strength the civilian assistance and outreach arm of the armed forces, secure and protect communities from criminal violence (particularly kidnapping and terrorism); strengthen border surveillance using aerial, ground-based technology mechanisms and mobile patrol units; empower the ranger/forest guard force monitor, identify, and track the use of our forests by any violent criminal groups; and recruit more policemen.²²



Nigeria is plagued with security challenges that pose an existential threat and stifle economic growth.

22- See "APC Presidential Manifesto (2023), Renewed Hope: Action Plan for a better Niger, All Progressive Congress, Available at: https://apc.com.ng/img/apc_renewed_hope.pdf

N3.85tn (\$5.13bn) was allocated to the security and defence sector in the 2024 fiscal year. This represents 13.38% of the 2024 total budget and is 37.99% more than the N2.79tn allocated to the sector last year. A disaggregated look at the security and defence budget shows that 42.8% of the security budget will be spent on defence, 25.22% on the police force, 12.25% on Interior (Immigration, Civil Defence, Nigeria Correctional Service, and Nigeria Fire Service), and 7.5% on the National Security Adviser (NSA, DSS, NIA, Presidential Airfleet, Centre for the Control of Small Arms and the Counter Terrorism Centre). Furthermore, 63.68% of the sector's budget has been allocated to the payment of salaries, wages, social contributions, and pensions, 7.52% to cater to overhead expenses, and 16.19% to acquire defence and security hardware, construct and rehabilitate prisons, office buildings, residential buildings and police and military barracks, etc.

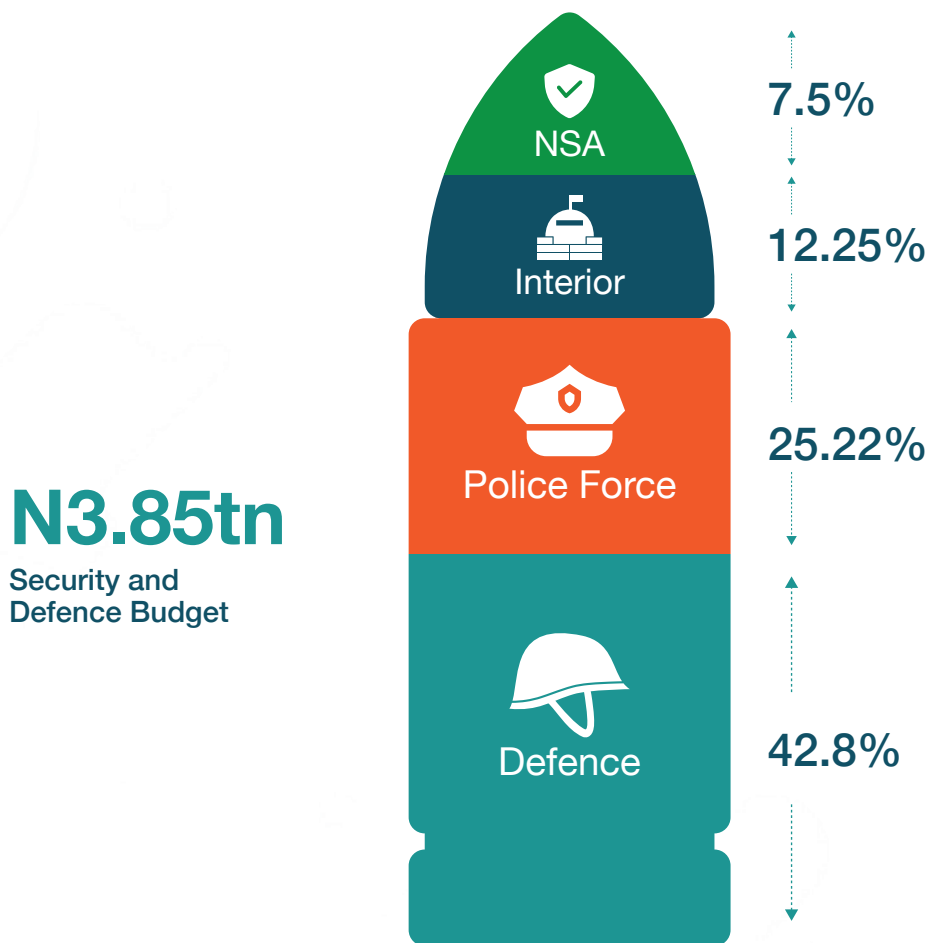
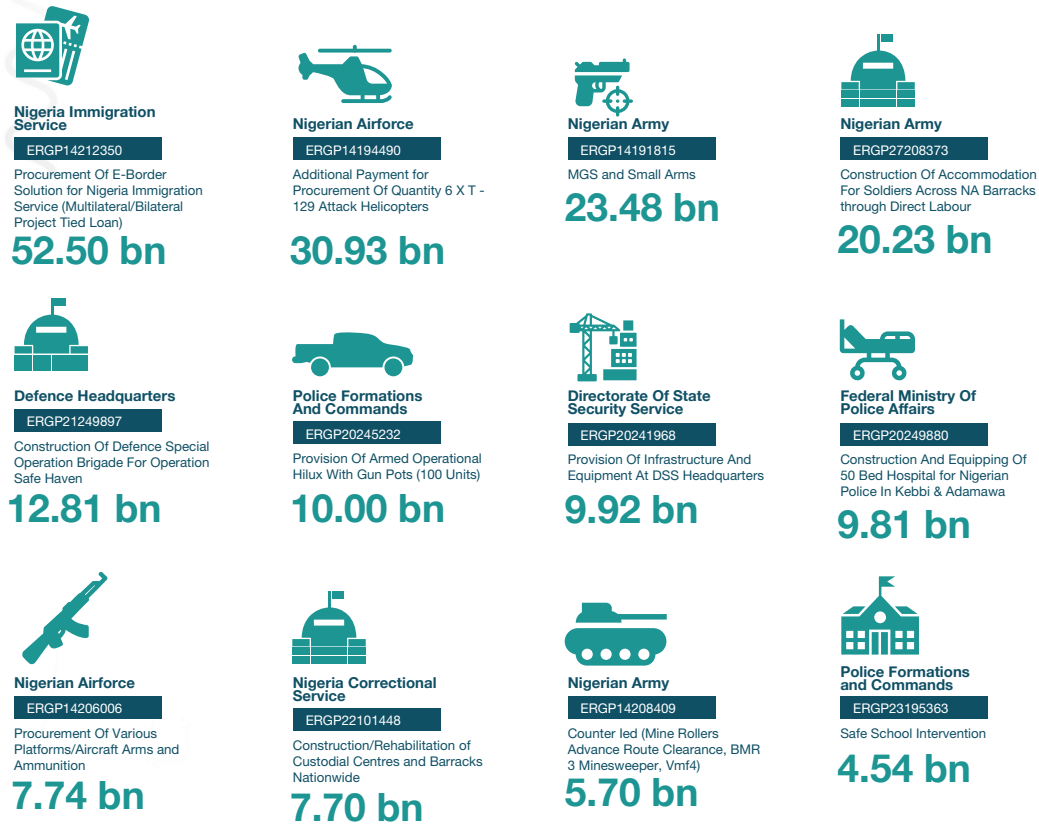




Figure 4: Key Security and Defence Projects in the 2024 Approved Budget



To improve security within Nigeria and protect it against external aggressors, the federal government in collaboration with the state governments must secure its porous borders, decisively arrest the proliferation of small arms, strengthen forest guards with highly sophisticated surveillance equipment, establish and equip state and community police outfits, improve intelligence gathering, reclaim ungoverned spaces created by the activities of illegal mining in resource-rich communities, and improve the welfare of service men, policemen and other paramilitary officers.

4.2

Works Sector

It is uncontroversial that infrastructure is key to sustainable economic development and growth. In fact, the Congressional Budget Office (CBO) holds that spending on infrastructure stimulates aggregate demand in the short term and slowly increases the productivity of the private sector (Congressional Budget Office, 2017).²³ With a population of over 200 million persons, infrastructure in roads, ports, energy, rail, water, sanitation, bridges and transportation modes ought to be a non-negotiable component of public spending and investment. Unfortunately Nigeria has not been spending enough on infrastructure within the past few years as the Director-General of the Budget Office in 2023 even noted that Nigeria needed to spend \$100 billion dollars annually on infrastructure to meet the nation's deficit (Premium Times Newspapers, 2023).²⁴ The World Bank suggests that a country's infrastructure stock to GDP should be within the realm of 70%; Nigeria is currently at 40%.²⁵

In his manifesto, President Tinubu aimed to address Nigeria's infrastructure deficit, via a "Build a New Nigeria"²⁶ program. However, in his reformulated 8-point Agenda²⁷ for the nation, the President did not explicitly refer to infrastructure. But it is obvious that the latter runs through the entire agenda. With the numerous official travels to solicit for increased foreign investment by this administration, infrastructure appears to be a front-burner issue. This can be evidenced by the commissioning of the Infrastructure Support Fund (ISF) that intends to have the federal government collaborate with the states, that the President set up in 2023. However, it remains to be seen if this will translate into actual investment. Nigeria needs to come up with an optimal funding mechanism that combines government spending, debt and external investments.



With the numerous official travels to solicit for increased foreign investment by this administration, infrastructure appears to be a front-burner issue.

23- See Shirley, S. (March 1 2017), "Spending on Infrastructure and Investment". Congressional Budget Office (Online), US Government. Available at: <https://www.cbo.gov/publication/52463>

24- See Majeed, B. (May 10 2023), "Nigeria Needs to Spend \$100 billion Annually for Infrastructure — Official". In Premium Times (Online) Newspapers. Available at: <https://www.premiumtimesng.com/news/top-news/597907-nigeria-needs-to-spend-100-billion-annually-for-infrastructure-official.html>

25- See Shehu, I. (May 23 2023), "Buhari: My Administration Doubled Nigeria's Infrastructure Stock to GDP by 20%". In the Cable (Online) Newspapers. Available at: <https://www.thecable.ng/buhari-my-administration-doubled-nigerias-infrastructure-stock-to-gdp-by-20>

26- See Bola Ahmed Tinubu. (2023), Presidential Campaign Manifesto. Available at: <https://www.adhang.com/clients-downloads/Asiwaju-Bola-Tinubu-Manifesto.pdf>

27- See the Punch Editorial Board. (September 4 2023), "Translating Tinubu's 8-point agenda to recovery". In the Punch (Online) Newspapers. Available at: <https://punchng.com/translating-tinubus-8-point-agenda-to-recovery/#:~:text=The%20highlights%20as%20provided%20by,of%20law%3B%20and%20fighting%20corruption>



The 2024 budget has allocated N1.91tn generally to infrastructure (this includes Power, Works, Transportation, Aviation and Water Resources); this makes up only 6.63% of the total budget.

The 2024 budget has allocated N1.91tn generally to infrastructure (this includes Power, Works, Transportation, Aviation and Water Resources); this makes up only 6.63% of the total budget. Within this total allocation, more than half of the infrastructure budget (about N1.03tn) is being allocated to Works. This is broken down into N16.68bn (1.6%) going to Personnel, N22.70bn (2.2%) to Overhead costs and N973bn (94.5%) to Capital expenditure. The 2023 fiscal year was significantly different, with the total allocation to infrastructure spending pegged at N1.24tn; about 5.69% of the total budget and of this total, N534.46bn went to Works (and Housing). The 2023 Works budget apportioned N16.48bn (3%) to Personnel spending, N18.51bn (3.4%) to Overheads and N499.47bn to Capital expenditure.

A further breakdown of the 2024 expenditure according to economic classification shows some interesting insights. For instance, the highest allocation in the Ministry of Works, about 64.21% (N649bn)

of the Ministry's total budget went to "Construction/Provision of Fixed Assets-General". In 2023 this same sub-component was 72.09% (N385.3bn) of the total N534.46bn budget. The second highest allocation in the 2024 Ministry of Works budget, namely 30.9% (N312.05bn) went to "Rehabilitation/Repairs of Fixed Assets-General", while the same line item in 2023 took 19.86% (N106.13bn) of the budget. The third highest allocation for "Maintenance Services-General" was 1.81% (N18.3bn) of the 2024 budget; in 2023 the third highest allocation also went to this class of expenditure but was 2.78% (N15bn) of the budget. The fourth highest allocation for the Ministry of Works in 2024 went to "Salaries and Wages", at 1.07% (N11bn) of the budget and the corresponding component in 2023 was about 2.68% (N14.34bn). The fifth highest allocation in the 2024 Works budget went to "Acquisition of Non-tangible Assets" at 0.86% (N9bn) and this same component in 2023 was about 1.40% (N7.5bn).



Figure 5: Top Allocations in the 2024 Approved Budget for the Ministry of Works



The Revised National Integrated Infrastructure Master Plan, 2020²⁸ has strategies for increasing the share of Public Private Partnerships, among other things, to ensure a mixed set of sources for infrastructure funding. If the government can muster the political will to implement this plan, the economy and the livelihoods of Nigerians will be much better off for it.

28- See generally, the Federal Ministry of Finance, Budget and National Planning, (2020), Revised National Integrated Infrastructure Master Plan, Federal Republic of Nigeria. Available at: <https://nationalplanning.gov.ng/wp-content/uploads/2022/10/REVIEWED-NIMP.pdf>

4.3

Power Sector

In 2023 the National Electricity Grid collapsed 3 times (The Cable Newspapers, 2024);²⁹ since 2017, the Grid has collapsed a total number of 47 times (International Energy Agency, 2024)³⁰ and power generation nationwide dropped to zero megawatts in 2024 (The Punch Newspapers, 2024).³¹ Though it is banal to state that stable energy supply has benefits for manufacturing, production and industrial growth as well as supply chains; Nigeria's energy supply appears to be worsening over the years. This is all the more intriguing, as Nigeria supplies electricity to some of its neighbours in the West African sub-region (The Cable Newspapers, 2021).³² As the world moves towards energy efficiency and countries try to recalibrate their energy mix in the face of climate change, Nigeria must decide how it intends to solve its energy supply challenges in a clean, efficient and equitable manner.

Energy challenges in the country are not only restricted to poor generation and transmission; the cost of electricity will likely increase in the near future as the federal

government has claimed the subsidies it pays for electricity are no longer sustainable (Premium Times Newspapers, 2024)³³ and it would seek for 'cost reflective tariffs' in the near future (Thisday Newspapers, 2024).³⁴ In addition, the supply is demographically distorted, with peri-urban and rural households and firms receiving almost 60% less electricity than those in urban areas (Pelz, Chinichian, Neyrand, et al., 2023).³⁵ Fortunately, Nigeria has relatively (though improperly managed) green energy sources, such as dams and gas reserves. What is required is for the nation to properly manage its existing electricity and energy supply understandings, as the International Trade Administration³⁶ notes that: "The African Development Bank (already working on a \$410 million transmission project) invested \$200 million through the Rural Electrification Agency, to expand Nigeria's power sector and improve access to electricity.



As the world moves towards energy efficiency and countries try to recalibrate their energy mix in the face of climate change, Nigeria must decide how it intends to solve its energy supply challenges in a clean, efficient and equitable manner.

29- See Aro, B. (December 11 2023). "National Grid Collapses Third Time in 2023". In The Cable (Online) Newspapers. Available at: https://www.thecable.ng/national-grid-collapses-third-time-in-2023#google_vignette

30- See Olawin, D. (January 25 2024). "Nigeria's Power Grid Collapsed 46 times in Six Years – IEA". In The Punch (Online) Newspapers. Available at: https://punchng.com/nigerias-power-grid-collapsed-46-times-in-six-years-ia/#google_vignette See Nnodim, O. (February 24 2024). "Power

31- Generation Crashes to Zero Megawatts as Grid Collapses". In The Punch (Online) Newspapers. Available at: https://punchng.com/power-generation-crashes-to-zero-megawatts-as-grid-collapses/#google_vignette

32- See Akpan, S. (November 3 2021). "NBET: Why Nigeria Sells Electricity to Neighbouring Countries". In The Cable (Online) Newspapers. Available at: <https://www.thecable.ng/nbet-why-nigeria-sells-electricity-to-neighbouring-countries>

33- See Izuaka, M. (February 15 2024). "Nigeria's Electricity Prices May Increase as Govt Says Subsidy No Longer Sustainable". In Premium Times (Online) Newspapers. Available at: <https://www.premiumtimesng.com/news/top-news/668532-nigerias-electricity-prices-may-increase-as-govt-says-subsidy-no-longer-sustainable.html>

34- See Addeh, E. (January 2 2024). "Nigerians to Pay Between N111 to N215 Per Kilowatt with Planned Cost-reflective Electricity Tariff Regime". In Thisday (Online) Newspapers. Available at: <https://www.thisdaylive.com/index.php/2024/01/02/nigerians-to-pay-between-n111-to-n215-per-kilowatt-with-planned-cost-reflective-electricity-tariff-regime>

35- See generally, Pelz, S., Chinichian, N., Neyrand, C., and Blechinger, P. (2023). Electricity Supply Quality and Use Among Rural and Peri-urban Households and Small Firms in Nigeria. In the Journal of Scientific Data, 10:273. Available at: <https://doi.org/10.1038/s41597-023-02185-0>

36- See the International Trade Administration. (June 6 2023). Electricity, Power Systems and Renewable Energy, Nigeria - Country Commercial Guide (Homepage). U.S Department of Commerce. Available at: <https://www.trade.gov/country-commercial-guides/electricity-power-systems-and-renewable-energy>



A breakdown of the 2024 Ministry of Power budget has about 1.1% (N4.59bn) dedicated to Personnel spending, 0.62% (N2.62bn) to Overheads and 98.3% (N411.15bn) to Capital expenditure.

In 2019, the World Bank approved a \$550 million loan for Nigeria to develop mini-grids and solar home systems based on its projections that the country's mini-grid subsector was set to rapidly expand. In 2020, the World Bank approved a \$750 million Power Sector Recovery Operation loan for Nigeria to achieve financial sustainability, enhance accountability, and ensure the supply of 4,500 MW/h of electricity to the grid by 2022". What is needed is the often referenced (but generally scarcely available) political will.

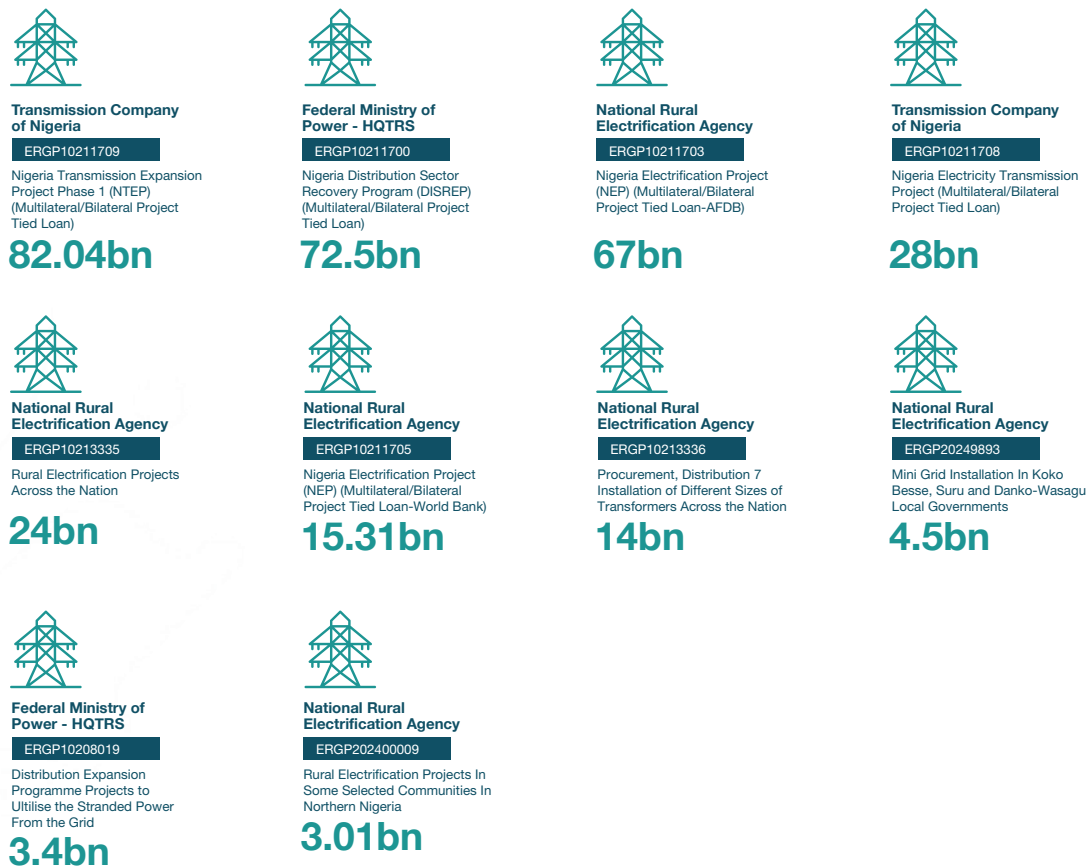
With the above background, the 2024 budget of the Ministry of Power budget appears to be minimal. Forming a mere 1.45% (N418.37bn) of the total budget, the budget is also just 22% of the total infrastructure budget for 2024. Interestingly, the 2023 Power budget was even less at N258.49bn (about 1.18% of the total budget and 21% of the total infrastructure budget). A breakdown of the 2024 Ministry of Power budget has about 1.1% (N4.59bn) dedicated to Personnel spending, 0.62% (N2.62bn) to Overheads and 98.3% (N411.15bn) to Capital expenditure. The corresponding 2023 Ministry of Power budget allocated about 2.05% (N5.32bn) to Personnel expenditure, 0.6% (N1.57bn) to Overhead spending and 97.33% (N251.61bn).

Taking apart the 2024 Ministry of Power budget, shows that the bulk of expenditure (per economic classification) will go to "Construction/Provision of Fixed Assets-General", to the proportion of 80.35% (N336.14bn) of the total expenditure. The second closest figure, concerns "Acquisition of Non-tangible Assets" which is taking 17.71% (N74.1bn), "Salaries and Wages" the third highest, is 0.86% (N4bn). While the fourth and fifth highest sub-components are "Purchase of Fixed Assets-General" and "Miscellaneous" which are 0.19% (N805mn) and 0.17% (N702mn) respectively. The 2023 expenditure in economic classification shows a different prioritisation, with "Construction/Provision of Fixed Assets-General" taking the dominant share of 96.67% (N250bn) of the total expenditure. However, the second highest proportion in the 2023 budget went to "Salaries and Wages" at 1.79% (N5bn). This was followed by "Purchase of Fixed Assets-General" at 0.38% (N973mn) of the total budget, "Acquisition of Non-tangible Assets" at 0.28% (N722mn) and "Social Contributions" at 0.27% (N694mn).

The breakdown of the Capital expenditure for the Ministry of Power provides a snapshot of direction of spending. Outstripping every other component (classified by economic function), the item “Construction/Provision of Electricity” takes about 81.43% (N335bn) of the total N411.15bn Capital expenditure budget. This was followed by “Research and Development” which trailed the previous component at 17.82% (N73.3bn). Interestingly, the Ministry is allocating 0.18% (or N750mn) to “Construction/Provision of Roads”. There was no spending on Road construction in the 2023 budget of the Ministry of Power.



Figure 6: Top 10 Capital Projects in the Ministry of Power



4.4

Communications, Innovation and Digital Economy Sector

Established to stimulate the creation of a knowledge-based economy and information society in Nigeria (Federal Ministry of Communications, Innovation, and Digital Economy, 2024),³⁷ the Ministry of Communications, Innovation and the Digital Economy is critical to Nigeria's success in riding the wave of fast-paced development in communications and digital technology. With a former member of the Nigerian tech-ecosystem³⁸ named Minister in 2023, the Ministry has the expectations from millions of Nigerians to bring about change.

The impact of digital technology is pervasive, as human life as we know it has been changed in many ways. Key to Nigeria's social, economic and political development as a nation will lie in its ability to harness the Internet of Things (IoT), the transformative power of Artificial Intelligence, high speed internet access and the developments and innovations in communications hardware and software, among other things.

This would require legislative and governance reforms, massive investments in communications infrastructure and the understanding that the "information revolution" can be positively exploited by a ready nation.

President Bola Tinubu is convinced that Nigeria has the capabilities to lead in digital technology. This is due to the country's vibrant youth population and ongoing investments in digital technology³⁹ infrastructure can push Nigeria to improve its position as a global technology innovation hub. In March of 2024, the National Economic Council⁴⁰ approved the implementation of the Investment in Digital and Creative Enterprises (i-DICE) Programme.⁴¹ The latter is a broad-funded initiative (some of the funders include: the Nigerian Bank of Industry, African Development Bank (AfDB), the Agence Française de Développement (AFD) and the Islamic Development Bank (IsDB)), worth \$617.7 million that aims to promote investment in digital and creative industries.



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37- See the the Federal Ministry of Communications, Innovation and Digital Economy, Driving Economic Growth Through Digital Technology & Innovation (Homepage), Federal Republic of Nigeria. Available at: <https://fmide.gov.ng/>

38- See Oloruntade, G. (August 16 2023). Bosun Tijani Named Minister of Communications and Digital Economy. In Tech Cabal (Online) Newsblog. Available at: <https://techcabal.com/2023/08/16/bosun-tijani-named-minister-of-communications/>

39- See Michael, J. (March 22 2024). "President Tinubu: Nigeria Can Lead in Digital Technology". In Technology Times (Online) Newsblog. Available at: <https://technologytimes.ng/president-tinubu-nigeria-can-lead-in-digital-technology/>

40- See Nathaniel, S. (March 22 2024). NEC Approves \$617m Investment In Digital, Creative Enterprises. In Channels Television (Online). Available at: <https://www.channelsv.com/2024/03/22/nec-approves-617m-investment-in-digital-creative-enterprises/>

41- See the Bank of Industry, Investment in Digital and Creative Enterprises Program (iDICE) (Homepage), Federal Ministry of Finance, Federal Republic of Nigeria. Available at: <https://idice.ng/>

As inspiring as this and other initiatives⁴² may be, challenges persist, such as the lack of reliable and affordable electricity supply,⁴³ ‘unharmonised’ legislation⁴⁴ and relatively low ICT investment,⁴⁵ among others.

Having considered the above, how does the federal government intend to use the budget as a tool for service delivery and social development? The 2024 budget of the Ministry of Communications, Innovation and Digital Economy is unfortunately less than 1% of the total budget. At N28.8bn the budget may be insufficient for the size of Nigeria’s economy and ICT demands. This is because the 2024 Communications budget is broken down into a Personnel expenditure of 70.6% (N20.6bn), Overheads of 2.43% (N699mn) and Capital spending taking 28.5% (N8.2bn). With nearly 70% of the budget going to Personnel, the Ministry will have to work assiduously to seek external investment to tackle the needed infrastructure demand. The previous year’s budget had a different fiscal profile. With N47.02bn allocated, the Ministry was apportioned 22% of the total 2023 budget.

This was disaggregated into a Personnel outlay taking 66.41% (N31.23bn) of the budget, Overhead was allocated 2% (N910bn) and Capital expenditure taking 32% (N14.9bn).

Breaking down the capital projects of the Ministry by economic classification, we note that the highest allocations are 56.35% (5bn) going to “Construction/Provision of Infrastructure”, 42.17% (N3.5bn) allocated to “Research and Development” and 1.27% (N104mn) set for “Monitoring and Evaluation”. Looking at the highest allocations in the 2023 fiscal year, we see that of the N14.9bn capital expenditure budget, 84.67% (N13bn) was allocated to “Construction/Provision of Infrastructure”, 12.95% (N2bn) went to “Research and Development”, 1.2% (178mn) went to “Computer Software Acquisition” and 0.64% (N96mn) went to “Monitoring and Evaluation”. The minimal sums allocated to the provision of infrastructure in the Ministry do not augur well for the development of the sector.



At N28.8bn the budget may be insufficient for the size of Nigeria’s economy and ICT demands.

42- See the Federal Ministry of Communications, Innovation and Digital Economy. (2019). Nigeria E-Government Master Plan (Abridged Version). Federal Republic of Nigeria. Available at: <https://fmide.gov.ng/wp-content/uploads/2023/11/NgeGovMP.pdf>

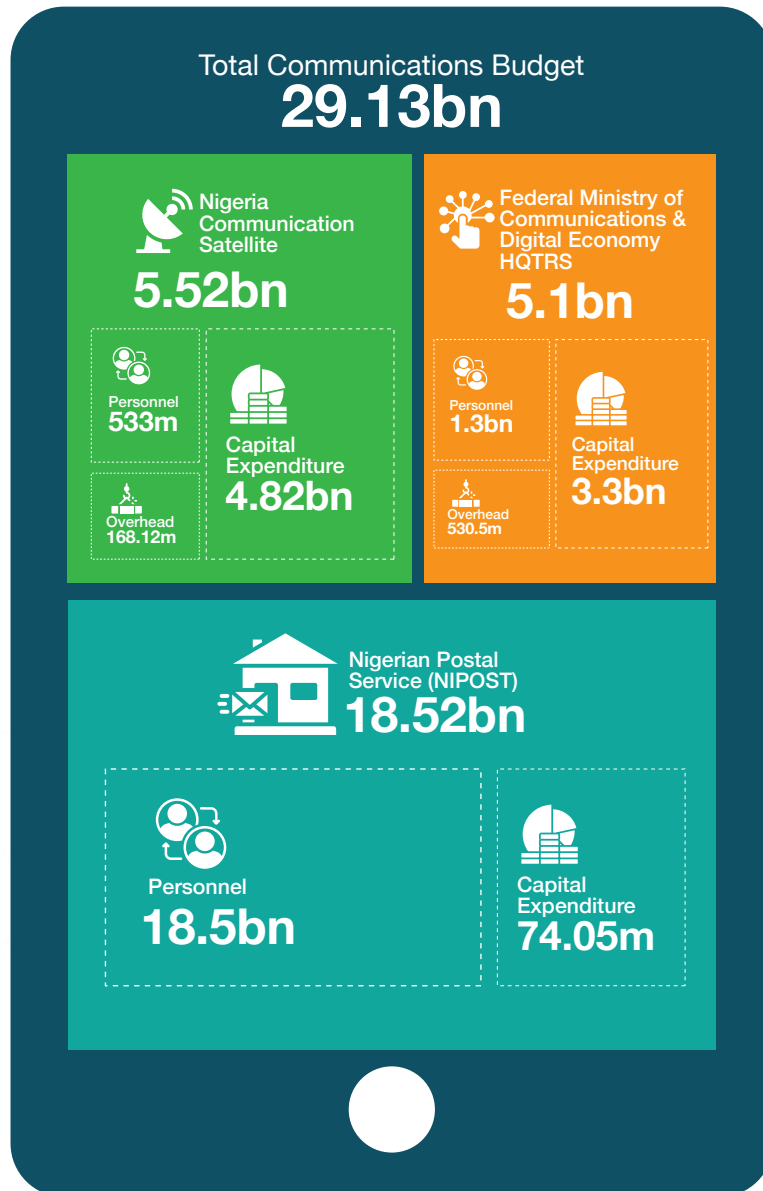
43- Eromonsele, E. (January 2 2023). “Top 7 trends that will shape Nigeria’s ICT sector in 2023”. In Business Day (Online) Newspapers. Available at: <https://businessday.ng/opinion/article/top-7-trends-that-will-shape-nigerias-ict-sector-in-2023/>

44- Eromonsele, E. “Top 7 trends that will shape Nigeria’s ICT sector in 2023”. In Business Day (Online) Newspapers, op.cit.

45- See Olomu, S. (December 1 2023). Nigeria’s ICT sector losing investment. ITWeb (Online) Newsblog. Available at: <https://itweb.africa/content/5yONPvErWgZ7XWtb>



Figure 6: 2024 Federal Government Communications Sector Budget



Major capital projects within the Ministry have a cap of N826mn and for a Ministry that ought to be “infrastructure heavy” and have significant projects, this does not inspire much in terms of confidence. The table below depicts the top 10 Capital Projects within the Ministry.

Figure 7: Top 10 Capital Projects in the Ministry of Communications, Innovation and Digital Economy



Nigeria Communication Satellite

ERGP29193779

Satellite Control and Operations Center Overhaul, Abuja and Kashi Centres

826.32 m



Nigeria Communication Satellite

ERGP1170990

Satellite Broadband and Rural Connectivity

780.00 m



Federal Ministry of Communications & Digital Economy HQTRS

ERGP30204129

Digital Public Infrastructure

700.79 m



Nigeria Communication Satellite

ERGP1172553

Nigcomsat Ground Station Upgrade

558.25 m



Nigeria Communication Satellite

ERGP29170968

Overhaul of Radio Frequency For NOC Infrastructure

540.00 m



Nigeria Communication Satellite

ERGP1170956

Nigcomsat Integration of Digital Structure

531.13 m



Nigeria Communication Satellite

ERGP29170033

Nigcomsat 2 Project

500.00 m



Nigeria Communication Satellite

ERGP29170078

Improvement of Security For Service Authentication, Standardization and Data Protection

322.66 m



Federal Ministry of Communications & Digital Economy HQTRS

ERGP30204044

Innovation and Coordination of the Ministry's Policy Programmes

282.08m



Federal Ministry of Communications & Digital Economy HQTRS

ERGP30204057

Strengthening, Enhancement and Development of Staff for Innovation

261.89 m



The supervising ministry of the sector (Federal Ministry of Agriculture and Food Security) and the 45 other agencies under it have, in recent times, been used as conduit to line the pockets of politicians and their cronies.

The Minister for Communications and Digital Technology, Dr Bosun Tijani aims to “Accelerate Nigeria’s Collective Prosperity Through Technical Efficiency”.⁴⁶ Not lacking the potential for effective transformation, the Nigerian government must decide whether or not it will deploy needed political will to transform lives and livelihoods. Communications and digital technology can only do as much as a government allows.

4.5

Agricultural Sector

Despite the agricultural sector being responsible for a quarter of Nigeria’s GDP, Nigeria remains largely food insecure as it depends on \$10bn worth of imports to meet its food and agricultural production deficit (mostly wheat, rice, poultry, fish, food services, and consumer-oriented foods).⁴⁷ Nigeria’s agricultural sector faces many challenges which impact on its productivity.

These include, regular flooding; desertification of crop and grazing land; extremist insurgencies; conflicts between herdsmen and local farmers; poor land tenure system; low level of irrigation farming; climate change and land degradation; inefficient technology; high production cost and poor distribution of inputs; limited access to credit; high post-harvest losses; poor access to markets; poor storage facilities; low levels of mechanisation; and weak research-extension-farmer linkages.⁴⁸

To make things worse, the supervising ministry of the sector (Federal Ministry of Agriculture and Food Security) and the 45 other agencies under it have, in recent times, been used as conduit to line the pockets of politicians and their cronies through the embarking on projects outside the scope and mandate of the ministry and the federal government.

46- See the Federal Ministry of Communications, Innovation and Digital Economy, (October, 2023). Accelerating our Collective Prosperity through Technical Efficiency. A Strategic Plan for the Federal Ministry of Communications, Innovation and Digital Economy, Federal Republic of Nigeria. Available at: <https://drive.google.com/file/d/1FtsDMTWoMMwd0TXAcTeSPRIUjBjOXZNNView?usp=sharing>

47- See “The International Trade Administration (2023). Agriculture Sector. Country Commercial Guide (Online). Available at: <https://www.trade.gov/country-commercial-guides/nigeria-agriculture-sector>

48- See “A look at agriculture and agribusiness in Nigeria”, by Ndidi Okonkwo Nwuneli, on 11 February 2011, published in Inter-réseaux Développement rural (Online). Available at: <https://www.inter-resaux.org/en/publication/51-special-issue-nigeria/a-look-at-agriculture-and-agribusiness-in-nigeria/>



Several initiatives have been introduced over the years to reduce post-harvest losses from 60% of all agricultural output to 30%, increase the total arable land under cultivation from 34 million hectares to 42 million hectares, increase agricultural export volume from 4.37% to 6.12% etc.

Several initiatives have been introduced over the years to reduce post-harvest losses from 60% of all agricultural output to 30%, increase the total arable land under cultivation from 34 million hectares to 42 million hectares, increase agricultural export volume from 4.37% to 6.12% etc,⁴⁹ all in bid to increase food sufficiency and security and prime the sector to be key drivers of economic growth, wealth creation and employment.

These initiatives include National Fadama Development Project (NFDP), Agricultural Transformation Agenda (ATA), Anchor Borrowers' Programme (ABP), Agriculture Promotion Policy (APP), Rural Access & Agricultural Marketing Project (RAAMP), Livelihood Improvement Family Enterprise (LIFE-ND), Livestock Productivity And Resilience Support Project (L-PRES), Value Chain Development Project (VCDP), Reducing Emission from Deforestation and Forest Degradation (REDD+); Nigeria Erosion and Watershed Management Project (NEWMAP); Action Against Desertification (AAD) Programme, to mention but a few.

The aforementioned can only be achieved by conclusively resolving the incessant farmer-herder clashes; reinforcing trade policies and land tenure policies; investing in strong agricultural educational and research institutions; easing government engagement in fertiliser, seed and input supply, distribution, and financing; providing incentives for financial institutions, especially banks and insurance companies to support the private sector; ensuring strong and effective extension support services, and agriculture development programmes at the local government level; and providing adequate infrastructures, especially feeder road networks and consistent and affordable electricity.

President Tinubu, through his Manifesto, had promised to, establish commodity boards to improve income of farmers; strengthen grain reserves and improve Nigeria's food storage capacity; to prioritise farm-to-market roads and freight networks; encourage private sector investments in construction of small-scale irrigation and water catchment systems; grant farming cooperatives credits and tax breaks; and provide farmers with access to low-cost loans.

Budgetary Allocation to the Agricultural Sector

Nigeria's Agricultural Sector budget increased by a whopping 193.35% from N344.69bn (\$431.41bn) in 2023 to N1.01tn (\$1.35bn) in 2024. Although the allocation to the agricultural sector as a share of the total budget increased from 1.98% in 2023 to 3.51% in 2024, it still remains a far cry from the Maputo Declaration threshold of 10%. The federal government increased the personnel, overhead, and capital budget year-on-year by 24.96%, 76.93%, and 161.17%, respectively. While at face value, its significant year-on-year increase in the sector's budget appears positive, a disaggregated look at the increase suggests the contrary.

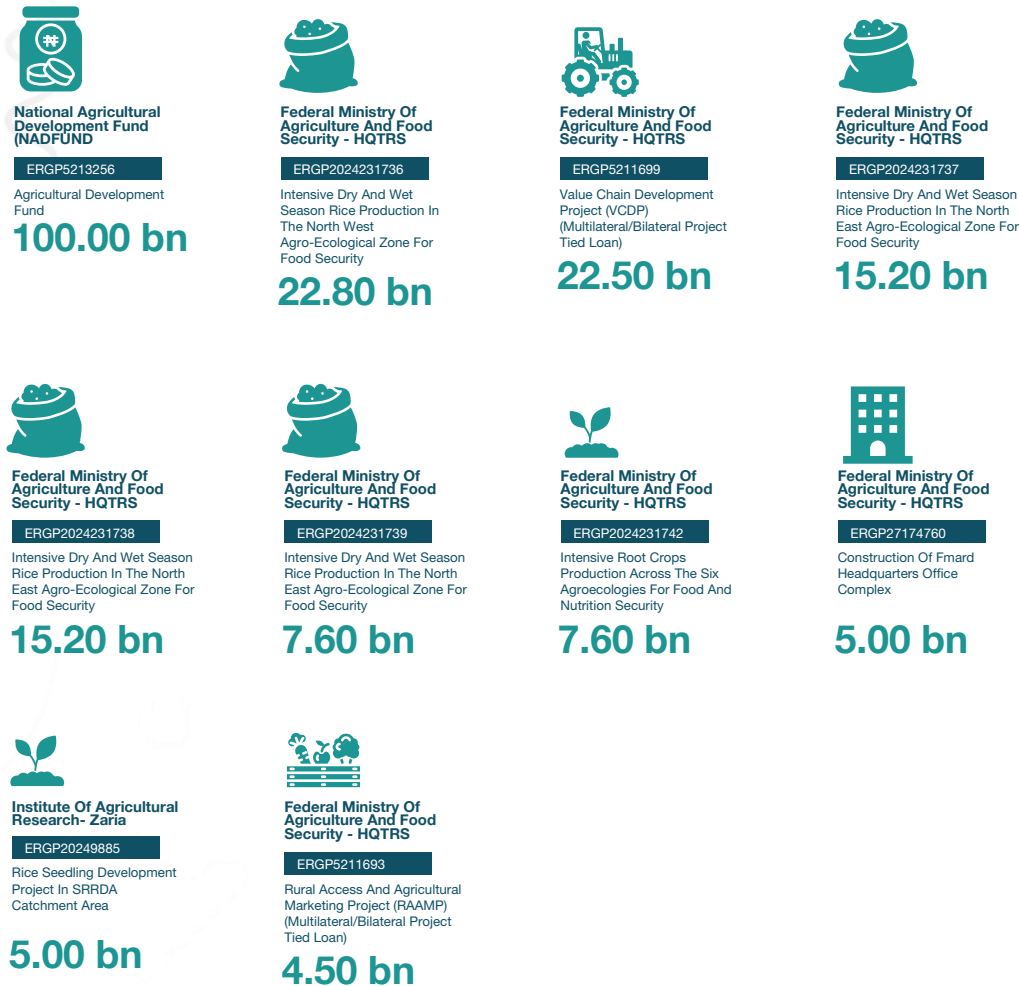
N344.69bn



N1.01tn



Figure 8: Key Projects in the 2024 Agriculture Sector Budget



While the initial capital budget executive proposal of N362.94bn appeared to have been largely focused on the core mandate of the Agric Ministry and its departments and agencies, the N633.96bn increase in the approved capital budget was geared towards local projects in the constituencies of the federal lawmakers. These projects include, but are not limited to streetlights, boreholes, community town halls, primary school buildings, primary healthcare centres, security patrol vehicles, empowerment of traditional rulers, road construction etc. A large part of the additional funds do not speak to solutions to the problems mentioned earlier bedevilling the sector.



Figure 9: Top Projects Outside the Mandate of the Agric Ministry, its Departments and Agencies



**National Centre For
Agricultural
Mechanisation- Ilorin**

ERGP20241403

Construction And Equipping
Of Modern Civic Centre In
Selected Locations In Bende
North & South (Bfc) Bende
Lga Abia State. (Lots 1-3)

1.50 bn



**Federal College Of
Horticulture,
Dadin-Kowa, Gombe**

ERGP202423234

Construction Of Blocks Of
Classrooms, Solar Streetlights,
Boreholes And Provision And
Installation Of Transformers In
Selected Federal Constituencies
In Nigeria

1.50 bn



**Federal Ministry of
Agriculture And Food
Security - HQTRS**

ERGP20246218

Provision And Installation Of
Solar Street Light In Yobe North
Senatorial District

1.20 bn



**Institute of Agricultural
Research- Zaria**

ERGP20241868

Construction And Equipping Of
Medical Centers At Soba Local
Government

1.19 bn



**Federal Co-Operative
College- Oji River**

ERGP20246149

Construction Of Townhall In
Selected Communities In
South West

1.00 bn



**Federal College Of
Horticulture,
Dadin-Kowa, Gombe**

ERGP20246151

Supply Of Mini Buses In Some
Selected Areas Of Saala Orile,
Ibafefin And Orelope For Human
Capital Development Batches 1-10

1.00 bn



**Federal Co-Operative
College- Oji River**

ERGP20242009

Construction Of Ivf Centre
At Federal Teaching
Hospital Abakaliki

600.00m



**Federal College of
Agriculture - Ishiagu**

ERGP20241416

Construction And
Renovation Of Schools In
The South East (Bfc)

500.00m



**College of Veterinary
and Medical Laboratory
Technology - Vom**

ERGP20245885

Supply Of Medical
Equipments To Health
Facilities In Cross River North

500.00m



**Federal College of
Fisheries and Marine
Technology - Lagos**

ERGP20245707

Construction Of Airforce
Office Building, Ogun State

500.00m



**Federal Co-Operative
College- Oji River**

ERGP20243709

Furnishing Of Community
Town Hall With Ict & Others
In Selected Areas Of Rivers
State.

500.00m



**Nigeria Institute of
Oceanography and
Marine Research**

ERGP20242004

Construction Of Model Vip
Toilets In 12 Wards Of Edda
Local Government Area

500.00m



**Nigeria Institute of
Oceanography and
Marine Research**

ERGP20242005

Construction Of Model
Vip Toilets In The 12
Wards Of Atikpo Local
Government Area

500.00m



**Federal Co-Operative
College- Ibadan**

ERGP23173509

Capacity Enhancement
Programme For Traditional
Rulers And Other Local Chiefs
In Ilaroand Ado Odo
Communities

400.00m



**Federal Co-Operative
College- Ibadan**

ERGP20242053

Provision And Supply Of Suvs
And Cars For Traditional
Rulers In Ikeja Federal
Constituency

200.00m

4.6

Transportation Sector

Nigeria's transportation infrastructure, including roads, railways, ports, and airports, suffers from inadequate maintenance, limited capacity, and poor connectivity. Insufficient infrastructure hampers efficient movement of goods and people, leading to delays, high transportation costs, and congestion.

These challenges hinder the smooth movement of goods, increase transaction costs, and impact overall economic productivity.

In his manifesto, President Tinubu promised to rehabilitate existing roads; create a nationwide highway system connecting major cities and regions with modern and safe multi-lane highways; prioritise the completion of ongoing national railway projects; promote the use of railways for the transportation of commercial goods to reduce strain on roads; deploy technology and security assets to safeguard travellers and protect railway infrastructure; decongest the Apapa Port; encourage the usage of other major seaports such as Onne, Warri, and Calabar; establish a new national carrier; improve aircraft maintenance and safety measures, as well as incident reporting requirements for domestic airlines; ensure fairness and transparency in ticket pricing for both international and domestic airlines; implement compensation policies for significant flight delays or cancellations caused by the airline or its staff, and many more.⁵⁰



Road transportation is the primary mode of transport in Nigeria, but many roads are in poor condition, riddled with potholes and inadequate signage. This affects the safety and efficiency of road travel, leading to accidents, traffic congestion, and increased travel time.

The transportation sector in Nigeria has historically faced limited investment, resulting in a lack of modernization and expansion. Insufficient funding has hindered the development of transportation infrastructure, the acquisition of modern equipment, and the implementation of innovative technologies. Road transportation is the primary mode of transport in Nigeria, but many roads are in poor condition, riddled with potholes and inadequate signage. This affects the safety and efficiency of road travel, leading to accidents, traffic congestion, and increased travel time. Nigeria's logistics and supply chain management systems often suffer from inefficiencies, including inadequate warehousing, lack of coordination, and high costs.

50- chrome-extension://efaidnbmninhpcapjgolefndmkaj/https://elections.civichive.org/wp-content/uploads/2022/11/POLICY-AND-SCHEMATIC-ASSESSMENTS_TINUBU.pdf

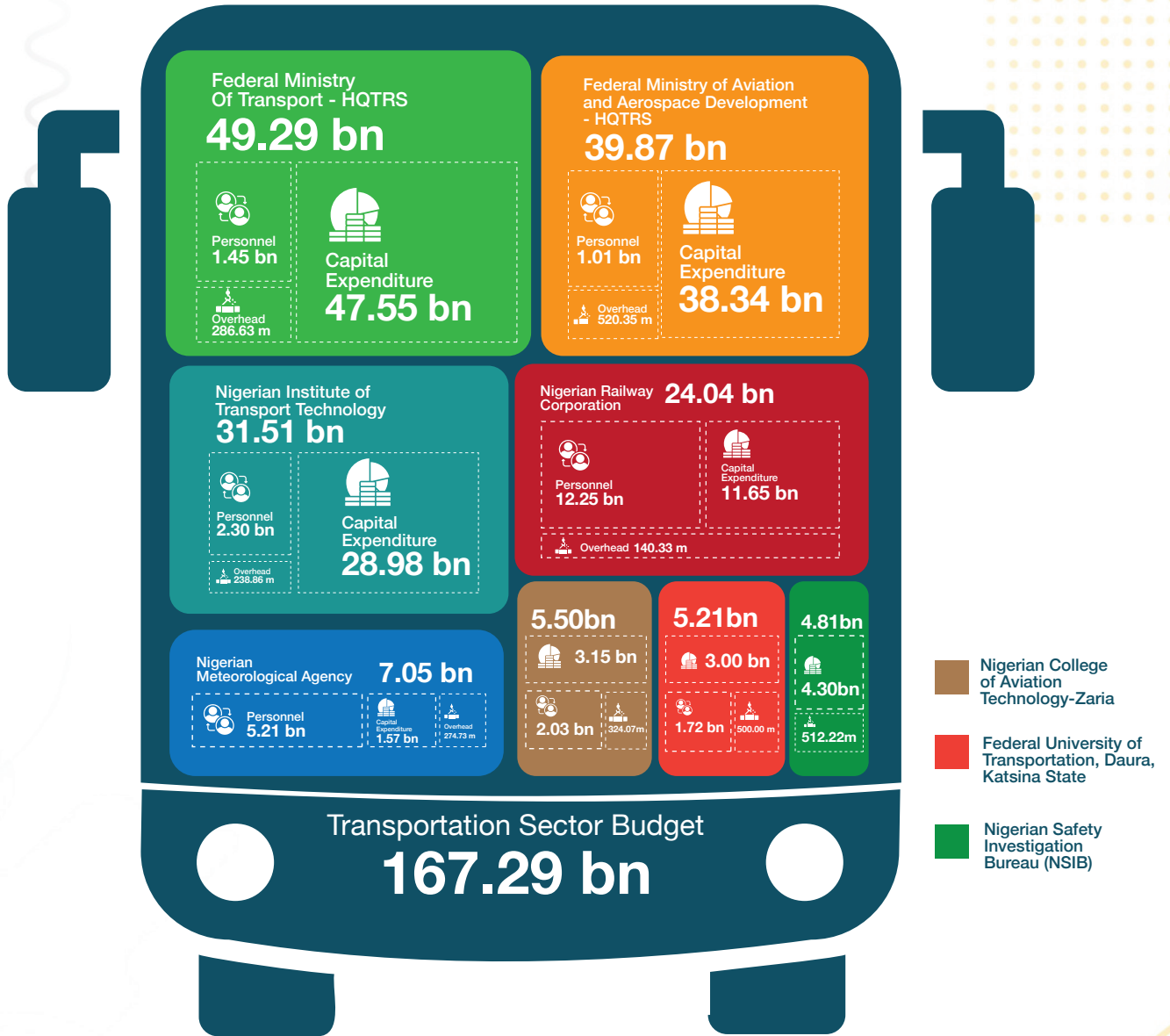
Transportation activities contributed 1.62% to Nominal GDP in Q4 2023, a decrease from the 2.33% recorded in the corresponding period of 2022.⁵¹ There are significant opportunities for infrastructure development in Nigeria's transportation sector. Investments in road construction, railway expansion, port modernization, and airport upgrades can improve connectivity, reduce transportation costs, and enhance trade facilitation. Public-Private Partnerships (PPP). Engaging the private sector through PPP arrangements can unlock investment and expertise in infrastructure development and operations. PPPs can help bridge the funding gap, promote efficiency, and foster innovation in the transportation sector.

Embracing technology and innovation can revolutionise the transportation sector in Nigeria. Implementing smart transportation systems, digitising logistics operations, adopting intelligent traffic management, and exploring alternative fuels can lead to increased efficiency, reduced costs, and improved service delivery. Addressing environmental concerns presents opportunities for sustainable transportation solutions. Promoting electric vehicles, exploring renewable energy sources, and adopting eco-friendly practices can contribute to reduced emissions and a greener transportation sector.

51- <https://nigerianstat.gov.ng/eLibrary/read/1241460>



Figure 10: 2024 Federal Government Transportation Sector Budget



A total of N167.29bn, or 0.58% of the 2024 budget, has been allotted to the transport sector for the upcoming fiscal year. It is significant to note that this budgetary allotment is 19.45% less than the N207.68bn allotted for the sector the previous year. The fact that capital expenditures account for 82.81% of the sector's budget suggests that infrastructure development and investments in transport projects are given top priority. The personnel costs of the transportation sector, which comprise employee salaries, wages, and benefits, account for 15.52% of the sector's budget. Overhead costs comprise 1.67% of the sector's budget and are generally composed of maintenance, utilities, administrative, and other operational costs.



Figure 11: Key Projects in 2024 Transportation Sector Budget



Federal Ministry of
Transport - HQTRS

ERGP13177707

Railway Projects: 1. Segment 1: Completion Of Abuja-Kaduna. 2. Segment 2: Completion Of Lagos-Ibadan And Its Associated Additional Works. 3. Rehabilitation Of Itakpe-Ajaokuta Rail Line And Construction Of 12 Nos Station Building And Tracks Laying Works At Railway Ancillary Facilities Area Agbor. (Etc)

33.15 bn



Federal Ministry of
Transport - HQTRS

ERGP13102578

Provision Of Electrical Power Supply And Water Supply, Construction Of Protective Fences Along The Corridor In Abraka, Oria, Oruwhorum, For Itakpe-Ajaokuta-Aladja Railway System

4.04 bn



Nigerian Institute of
Transport Technology

ERGP20241492

Design, Development And Installation Of Infrastructure For E-Business Suites In Nitt (E-Nitt) (Multiple Lots)

4.00 bn



Federal Ministry of
Aviation and Aerospace
Development - HQTRS

ERGP131206261

Development Of Various Airstrip Umuahia, Funtua, And Others

3.20 bn



Nigerian Railway
Corporation

ERGP13175570

Procurement / Rehabilitation Of Rolling Stock (Narrow Gauge)

2.73 bn



Federal Ministry of
Aviation and Aerospace
Development - HQTRS

ERGP31141946

Construction Of Corporate Hq Building And Staff Accomodation For Fma & It's Agencies

2.50 bn



Federal Ministry of
Aviation and Aerospace
Development - HQTRS

ERGP31141740

Refund For The Construction Of Airport At Birnin Kebbi State (Ref No. Sgf.Op/1/5.3/Viii)

2.00 bn



Federal Ministry of
Aviation and Aerospace
Development - HQTRS

ERGP31153904

Construction Of Clinic For The 4 Major International Airport

2.00 bn



Federal Ministry of
Aviation and Aerospace
Development - HQTRS

ERGP31157357

Development of Aerospace University Abuja

2.00 bn



Nigerian Railway
Corporation

ERGP13138766

Rehabilitation of narrow gauge track from Minna to Barrow with extension to the Baro River Port

1.19 bn



Nigerian Railway
Corporation

ERGP13127490

Procurement of Diesel (Ago) for the power cars and locomotives

1.18 bn



Nigerian Institute of
Transport Technology

ERGP20241496

Development Of Driver Training Center Bauchi And Nitt Outreach Learning Center In Maiduguri

1.00 bn



Federal Ministry of
Transport - HQTRS

ERGP13210771

Lekki - Ijebu Ode Rail & Coastal Rail Lekki - Apapa/Tin-Can; Badagry - Apapa/Tin-Can

1.00 bn

4.7

Education Sector

Education is undeniably the cornerstone of growth and development for any nation, and Nigeria is no exception. Over 30 years ago, it was claimed that the social rate of return was highest for primary education, followed by secondary and then tertiary education (Psacharopoulos, 1994). Since then, it has been demonstrated that “the average payoff to education is higher in less developed countries than in advanced countries” (Patrinos, 2023). In fact, it was found that in less developed countries, the rate of return to human capital is much higher, when compared to the rate of return of physical capital (Patrinos, 2023). However, the journey towards achieving a robust and effective education system in Nigeria has been marred by myriad structural challenges that demand urgent attention.

Access to quality education is another pressing issue in Nigeria, hindering the country's progress in innovation, growth, and prosperity. Outdated textbooks, a lack of interest among educators in staying current with their professions, and a digital literacy gap further contribute to the quality gap between Nigerian and international students.

Infrastructural problems are evident in the lack of necessary equipment for scientific/practical sessions, dilapidated academic institutions, and inadequately stocked libraries. The neglect of these essential elements denies students the hands-on experience required for a well-rounded education. Furthermore, discipline issues, including academic dishonesty and the formation of secret societies among students, present further challenges.

The education sector in Nigeria has consistently faced the challenge of insufficient budgetary allocation. Combining the 2024 education sector budget with the Service Wide Vote budget for education of N74.44bn and adding the budget for the Tertiary Education Trust Fund (TETFund) of N700bn, we have a total budget for education to the tune of N2.36tn. Compared to the 2023 total budget for education of N1.09tn (the latter which includes the Service Wide Vote education component of N470bn, the TETFund refund of N12.9bn and the TETFund allocation of N248bn), the 2024 total education budget is higher than the previous fiscal year by N1.27tn.



Outdated textbooks, a lack of interest among educators in staying current with their professions, and a digital literacy gap further contribute to the quality gap between Nigerian and international students.

However, if the figures are corrected for the official exchange rate devaluation (i.e., from N435.57 naira to the dollar to N750 naira to the dollar), the 2024 budget in dollar terms (i.e., \$2.12bn) is less than the 2023 budget in dollar terms (\$2.5bn).

A preliminary assessment of the 2024 Education sector budget, has the Ministry of Education with a total allocation of 65.4% to Personnel expenditure (i.e., N1.04tn). About 4.5% of the budget is going to Overheads (N72.12bn) and 30.1% is set to go to Capital expenditure (N480.78bn). A consideration of the Ministry budget by Economic classification shows a different perspective.

Figure 12: 2024 Allocation to Universities, Polytechnics, Colleges of Education and Unity Schools

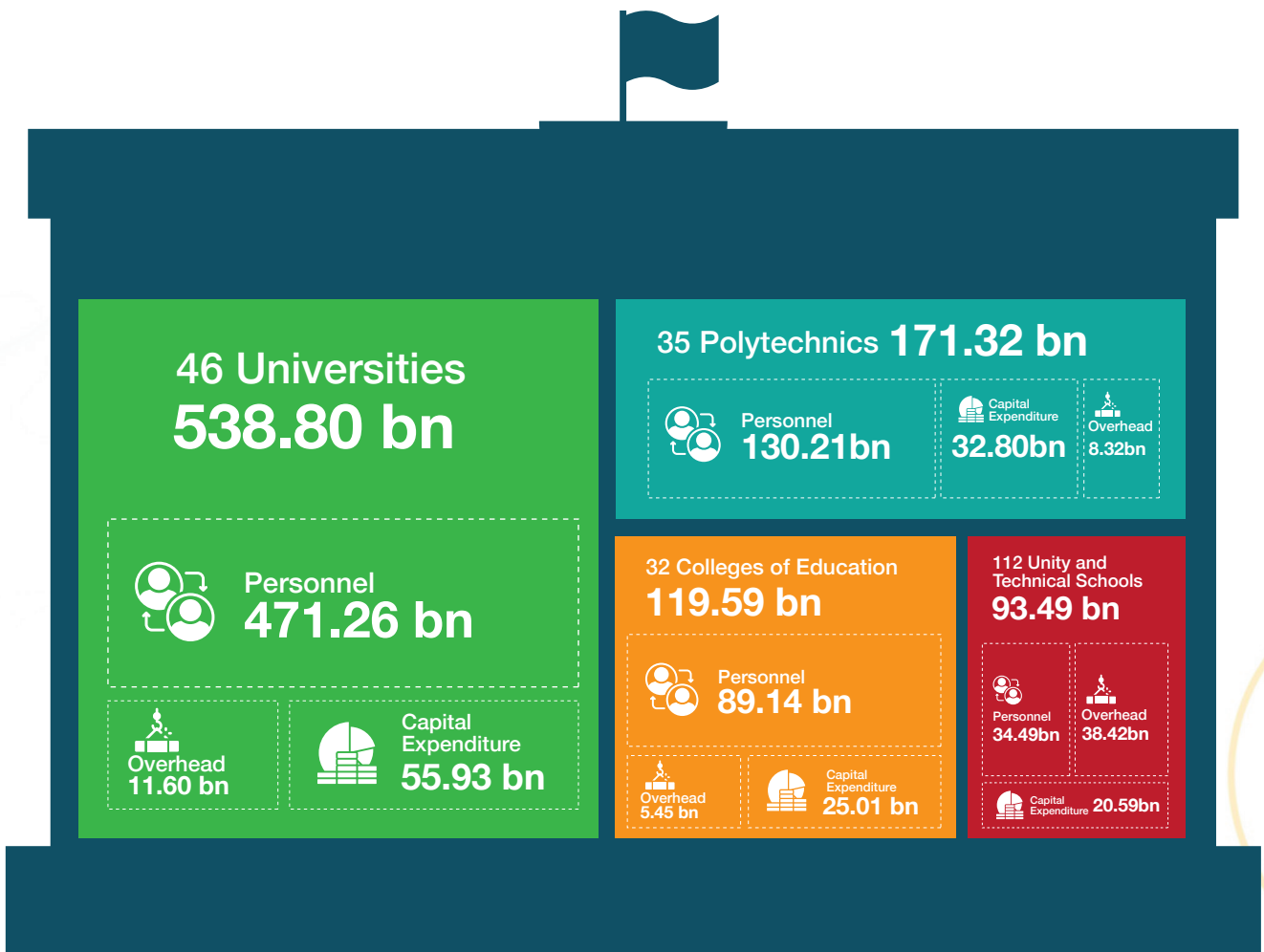
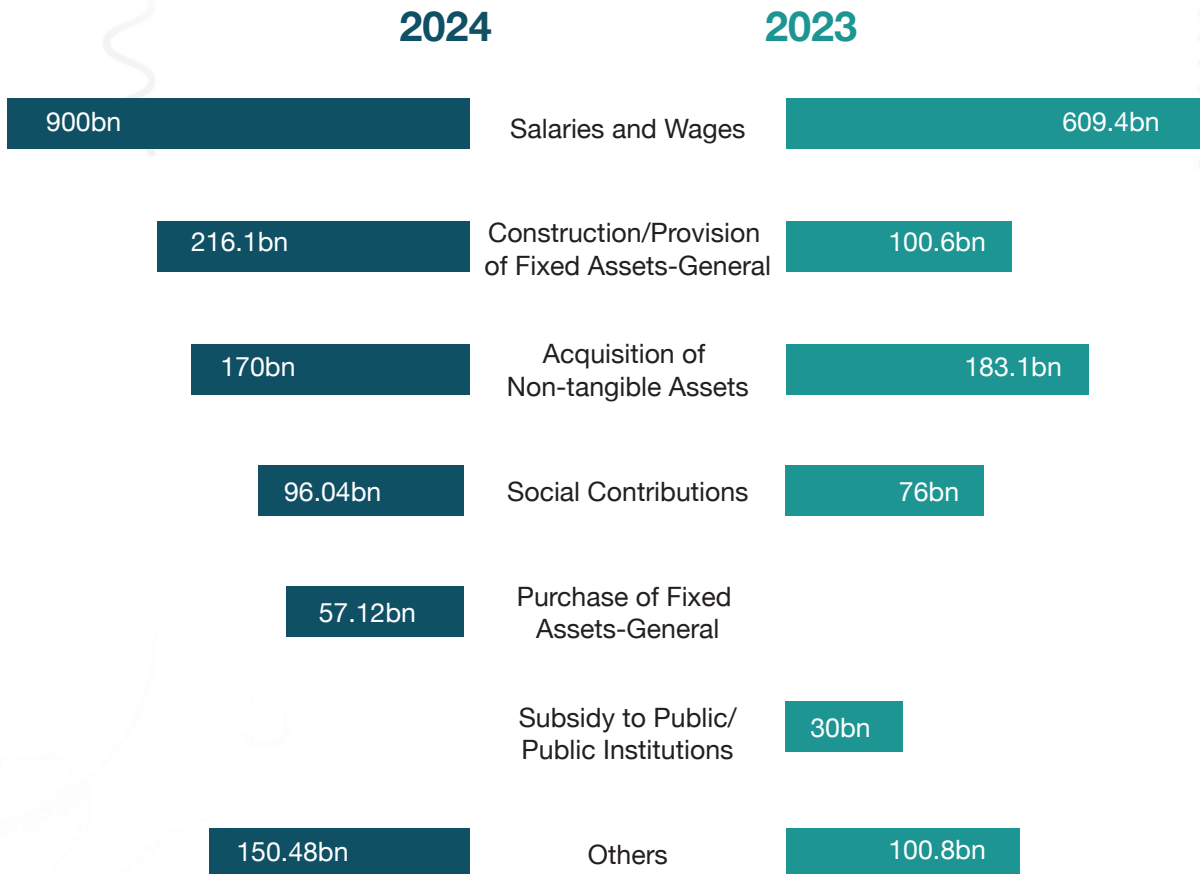




Figure 13: Comparison of 2023 and 2024 Expenditure Breakdown (Economic Classification)



Source: Budget Office of the Federation



The combined 2024 Personnel budgets for the foregoing institutions is a staggering N719bn. This represents 45.2% of the total budget for the entire Ministry of Education and 69% of the total Personnel budget for the whole Ministry.

A brief analysis of these figures in Table 15 shows that the federal government allocates more to payment of salaries and wages of school instructors. Considering the sheer number of federally funded Secondary Schools, Colleges of Education, Polytechnics and Universities, this is not surprising. The combined 2024 Personnel budgets for the foregoing institutions is a staggering N719bn. This represents 45.2% of the total budget for the entire Ministry of Education and 69% of the total Personnel budget for the whole Ministry. Be that as it may, spending must be directed towards solving the identified challenges of the education system from the perspective of the most debilitating.

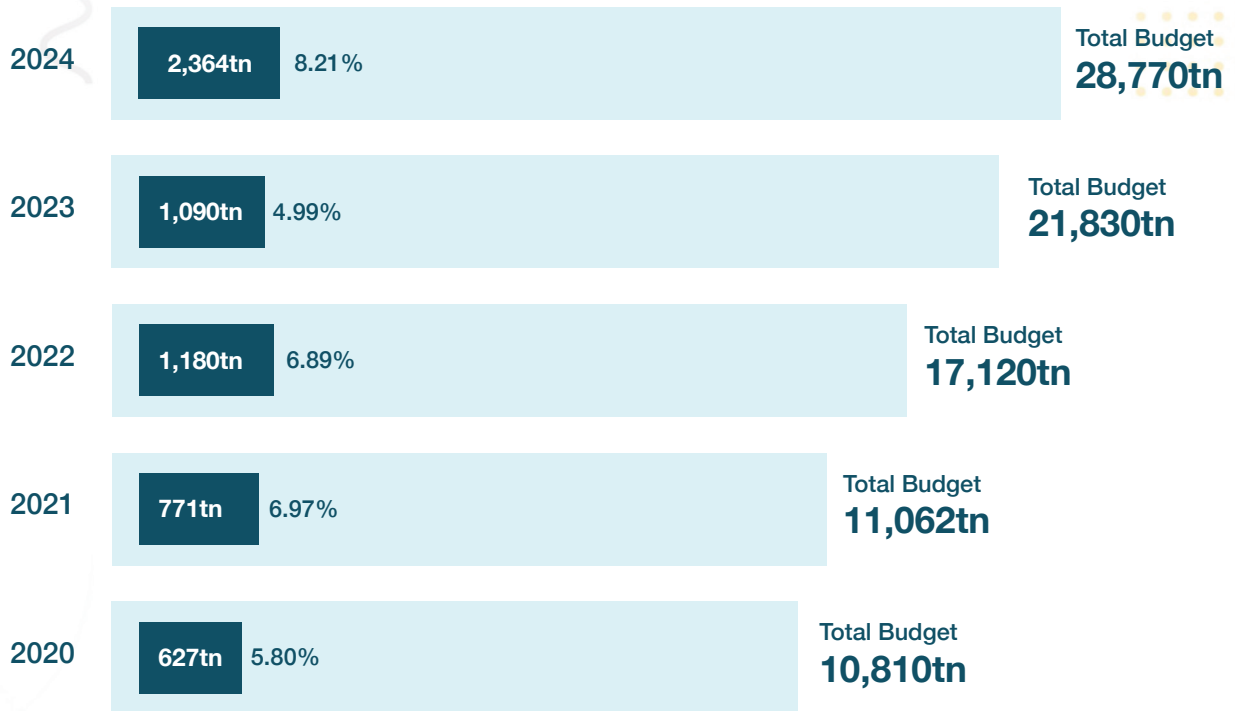
Spending on education is very resource-intensive and should be based on a proper needs assessment that is borne from strategic planning, a full acknowledgment of education access, cost-benefit analysis, and wide consultation with stakeholders, among other things. While spending on the much-needed salaries of public sector education workers, monies must be spent on commitments that can truly transform the sectors.

Looking at the challenge of out-of-school children more closely, from the perspective of budgeting for Basic Education, we note that the federal government intends to spend N274bn on the Universal Basic Education Commission (UBEC). However, only about 8.2% (N22.3bn) of the total UBEC budget is to be spent on Capital expenditures, while 92% (N251.5bn) of the UBEC budget is going to Recurrent expenditure.

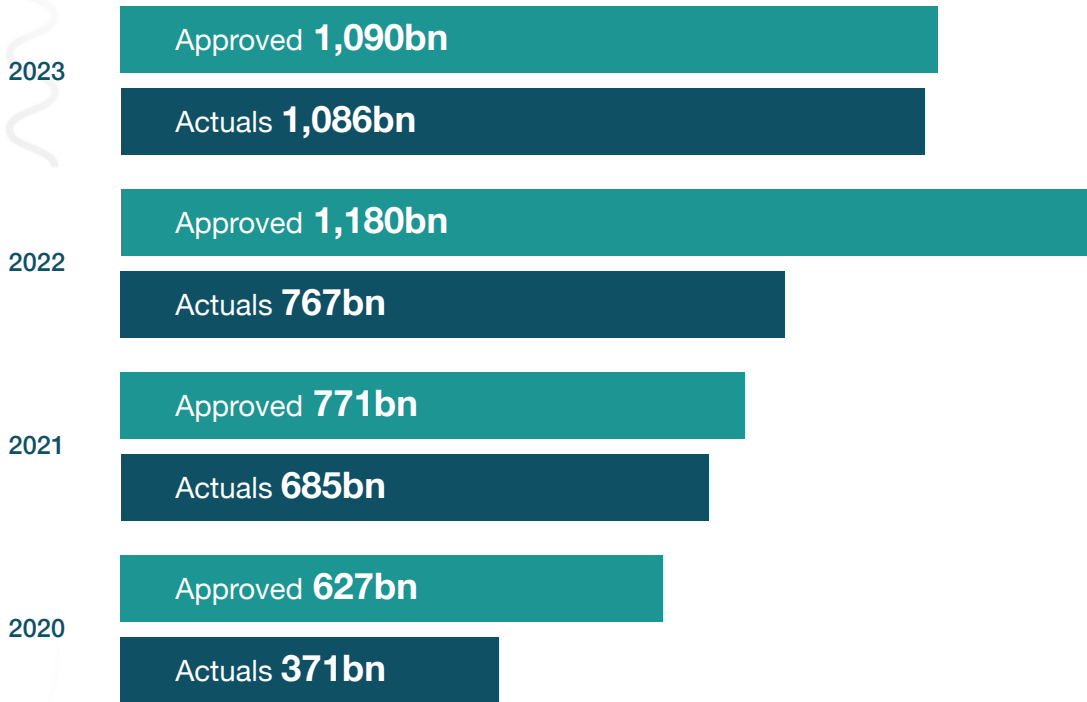
This appears counterintuitive; while personnel spending is key to the quality of education, this should not come at the expense of capital expenditure, the latter that caters more directly to the sheer number of out-of-school children, numbering about 15 million (Federal Ministry of Education, 2023). Even more egregious is the fact that the Capital expenditure budget for UBEC was higher in 2023, at N66bn (or 38.9% of the total UBEC budget) while the Recurrent budget was less, at N103.3bn (or 61.1%). This means the federal government is spending less on interventions in 2024 that would address the out-of-school children problem, than the previous administration.



Figure 14: Education Sector Expenditure Trends



**Figure 15: Federal Government Education Sector
Budget Performance (2020-2023)**



The current total funding to the education sector falls short of the 15% - 20% target recommended by UNESCO for education budgets, as well as below the recommendation to allocate at least 4% to 6% of GDP to education, (UNESCO, 2015). As it stands the 2024 total education allocation sits at 8.2% of the total budget and barely 3.3% of Nigeria's 2023 GDP (about N47.8tn [NBS, 2024]), even with the inclusion of funds from UBEC & TETFUND through statutory transfers. Nevertheless, the government is actively channelling investments into initiatives aimed at sustaining the tertiary school enrolment rates in the country this year. Notably, the recently approved student loan from the supplementary budget of 2023 is being integrated into the present year's budget to further support these efforts.

Figure 16: Top 10 Projects in the 2024 Education Sector Budget



**National Senior
Secondary Education
Commission (NSSEC)**

ERGP20243999

Fifty Selected Government
Secondary Schools Across
The Nation For Infrastructure
Upgrade And Provision Of
Educational Materials And
Teaching Tools

47.50 bn



**Federal Ministry
of Education - HQTRS**

ERGP30211707

Nigeria Innovation And
Effectiveness In The
Acquisition Of Skills (Ideas)
Project (Multilateral/Bilateral
Project Tied Loan)

27.75 bn



**National Universities
Commission Secretariat**

ERGP30211715

Second Africa Higher
Education Centres Of
Excellence For Development
Impact (Ace Project)
(Multilateral/Bilateral Project
Tied Loan)

16.02 bn



**National Universities
Commission Secretariat**

ERGP30211716

Sustainable Procurement,
Environmental And Social
Standard Enhancement
(Spesse) Project
(Multilateral/Bilateral Project
Tied Loan)

14.85 bn



**Federal Ministry
of Education - HQTRS**

ERGP23212786

Provision And Equipping Of
Modern Ict Center In Some
Selected Federal Universities

8.77 bn



**Federal Ministry
of Education - HQTRS**

ERGP23212793

Construction Of Hostel And
Other Facilities In Selected
Federal Colleges Of Education

8.77 bn



**Federal Ministry
of Education - HQTRS**

ERGP23212794

Construction Of Hostel And
Other Facilities In Selected
Polytechnics

8.77 bn



**Federal Ministry
of Education - HQTRS**

ERGP23212797

Provision Of E-Library With
E-Learning Facilities In
Selected Federal Institutions

8.77 bn



**Federal Ministry
of Education - HQTRS**

ERGP23212798

Construction And Equipping
Of Modern Library In Selected
Tertiary Institutions

8.00 bn



**Federal Ministry
of Education - HQTRS**

ERGP24204165

Servicing Of 1,532 (One Thousand Five Hundred And Thirty-Two)
Ongoing Bea Scholars In Donor Countries) Payment Of Supplementa-
tion Allowance, Medical, Health Insurance, Warm Clothing,
Postgraduate Allowance, Pilot Professional Allowance And Paasages
In Algeria-105 Scholars, China-61, Egypt-07, Hungary-250,
Morocco-488, Mexico-02, Russia-538, Romania-14, Serbia-38,
Tunisia-03, Ukraine-02, Venezuela-24

6.78 bn

Source: 2024 Appropriation Act, Federal Republic of Nigeria



Lack of comprehensive planning in Nigeria's education sector has led to inefficiency, duplication of efforts, and inadequate resource utilisation.

A significant obstacle is the escalating cost of education in Nigeria. The rising expenses related to tuition, textbooks, and other educational materials are a deterrent for many students, limiting their access to quality education. To make education more affordable, the government can explore options such as increasing scholarship opportunities, implementing need-based financial aid programs, and fostering partnerships with private enterprises to sponsor educational initiatives. Effective planning is crucial for the success of any sector, and education is no exception.

Lack of comprehensive planning in Nigeria's education sector has led to inefficiency, duplication of efforts, and inadequate resource utilisation. A strategic approach to planning that involves all stakeholders, including educators, policymakers, and the community, is essential. This collaborative effort can help identify key priorities, allocate resources effectively, and implement sustainable educational policies.

Numerous research studies have been conducted in the field of education in Nigeria, yielding valuable insights into effective teaching methods, curriculum development,⁵² and educational policies.⁵³ However, the challenge lies in the underutilization of these research findings. Establishing mechanisms to bridge the gap between research and implementation is crucial. Policymakers and educators are encouraged to work together to incorporate research findings into the education curriculum, ensuring that innovative and evidence-based practices are adopted to enhance the overall quality of education.

52- See Guga, A. (2006).The National Policy on Education (1981): Problems of Implementation and the Way Forward. Available at: <https://www.academia.edu/RegisterToDownload/UserTaggingSurvey>

53- See Okoroma N. S. (2006). Educational policies and problems of implementation in Nigeria,Rivers State University of Science and Technology. Available at: <https://files.eric.ed.gov/fulltext/EJ797605.pdf>

4.8

Health Sector

To ensure the prosperity and well-being of Nigeria's over 200 million citizens, a robust and meticulously structured health sector plays a crucial role. The 2014 National Health Act categorises the Nigerian health system into three distinct levels. At the tertiary level, there are federal government-operated institutions like teaching and specialist hospitals, federal medical centres, as well as private clinics and hospitals. The secondary level involves state government-run entities such as general hospitals, private clinics, and hospitals. Finally, the primary level comprises local government-run establishments, including community-based care, primary health centres, and comprehensive health centres.

Given Nigeria's federal structure, the health system is further divided into federal, state, and local government responsibilities.⁵⁴ The federal government assumes key roles in disease surveillance, drug regulation, vaccine management, research and the training of health professionals.

Additionally, it manages teaching hospitals, psychiatric facilities, orthopaedic hospitals, and medical centres.

N1.48tn—comprising N1.34tn for the Federal Ministry of Health and Social Welfare and its 126 agencies, and N145.63bn for Service wide Votes—was allocated to the health sector for the 2024 fiscal year. The 2024 health sector budget of N1.48tn constitutes 5.15%. This reinforces the position that 23 years after, the federal government is yet to meet the 15% Abuja declaration of 2001 which recommends that 15% of the total government budget be allocated to health. N771.56bn (or 57.5%) is expected to be spent on personnel, N21.76bn (1.6%) on overhead expenditure and N542.95bn (41%) on capital projects. This is distinct from the 2023 Health sector budget, which had an allocation of N1.08tn for the Ministry and its agencies and N1.16tn for the total health sector, the latter which included allocations to Service Wide Votes.

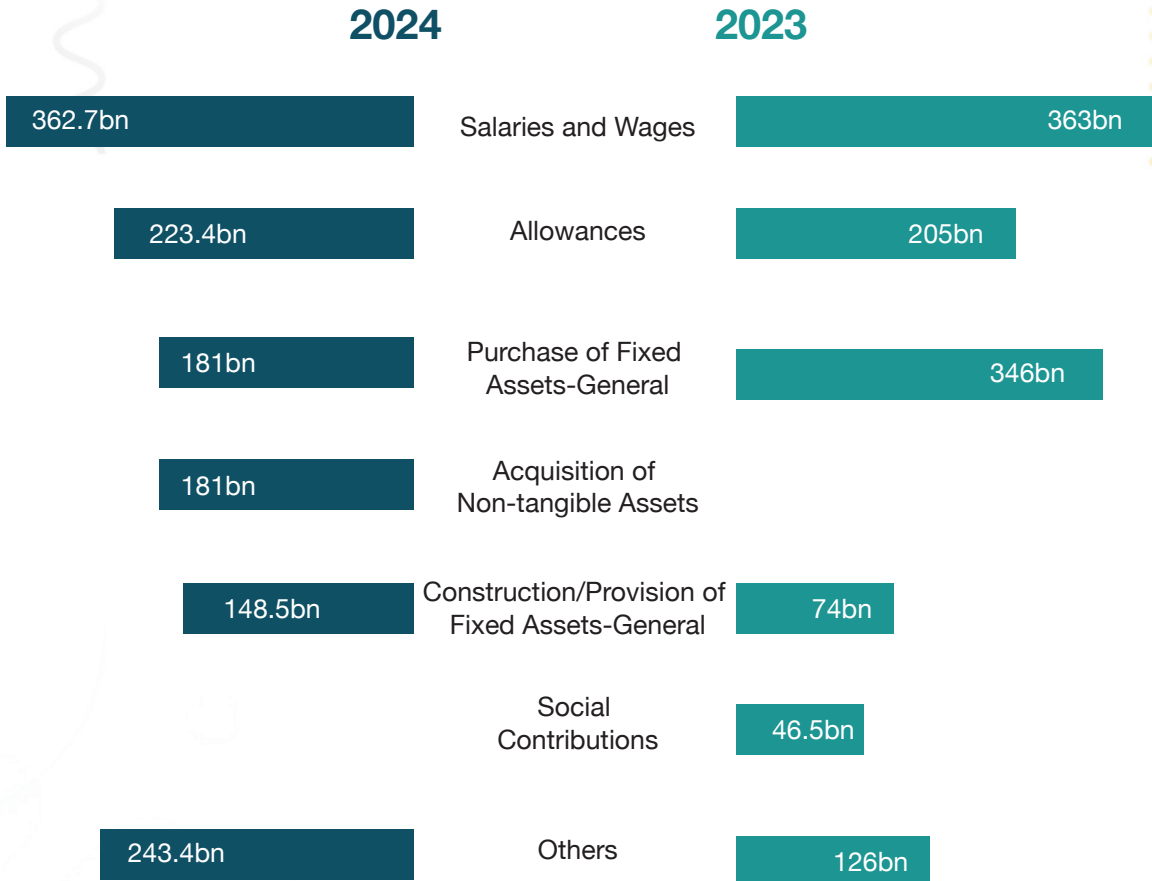


N1.48tn—comprising N1.34tn for the Federal Ministry of Health and Social Welfare and its 126 agencies, and N145.63bn for Service wide Votes—was allocated to the health sector for the 2024 fiscal year.

54- <https://www.cch.org/wp-content/uploads/2017/09/HSS-FBO-Report-Nigeria.pdf>



Figure 17: Comparison of 2023 and 2024 Expenditure Breakdown (Economic Classification)



Source: Budget Office of the Federation

Health Sector Challenges

Nigeria's health sector grapples with a myriad of challenges that, if not addressed promptly, could exacerbate the overall impact on the nation. Foremost among these issues is the glaring inadequacy of health infrastructure. The International Trade Administration notes in a report that Nigeria's healthcare infrastructure remains underdeveloped, lacking modern medical facilities, and its healthcare indicators rank among the lowest in Africa. With one of the fastest-growing global populations, marked by 5.5 live births per woman and an annual population growth rate of 3.2%, this fundamental hurdle hampers the advancement of health system service delivery in the country.⁵⁵

This shortage in infrastructure further cascades into related challenges, notably the insufficient supply of health workers nationwide. Over the past decade, Nigeria has witnessed a significant exodus of professionals to foreign countries, particularly in the medical field. The National Association of Nigerian Nurses and Midwives (NANNW) reports a staggering

departure of approximately 75,000 nurses from Nigeria between 2017 and 2023 alone.⁵⁶ The ITA report also shows that the shortage of medical professionals is dire, with only about 35,000 doctors available against the required 237,000, as per World Health Organization (WHO) figures. The massive brain drain contributes to an annual loss of at least \$2 billion to medical tourism, according to the Nigerian Medical Association (NMA). The surge in the "Japa Syndrome" is attributed to low stipends, more attractive compensation abroad, and security challenges, each posing distinct obstacles to the health sector.

Other pressing issues faced by Nigeria's health sector include inadequate funding. As highlighted earlier, the country's health funding falls short of expectations, and its utilisation lags significantly. Additionally, the accessibility of quality healthcare remains a challenge in rural areas, vulnerable groups, and underrepresented communities nationwide. Sanitation and hygiene issues exacerbate the spread of preventable diseases,



The surge in the "Japa Syndrome" is attributed to low stipends, more attractive compensation abroad, and security challenges, each posing distinct obstacles to the health sector.

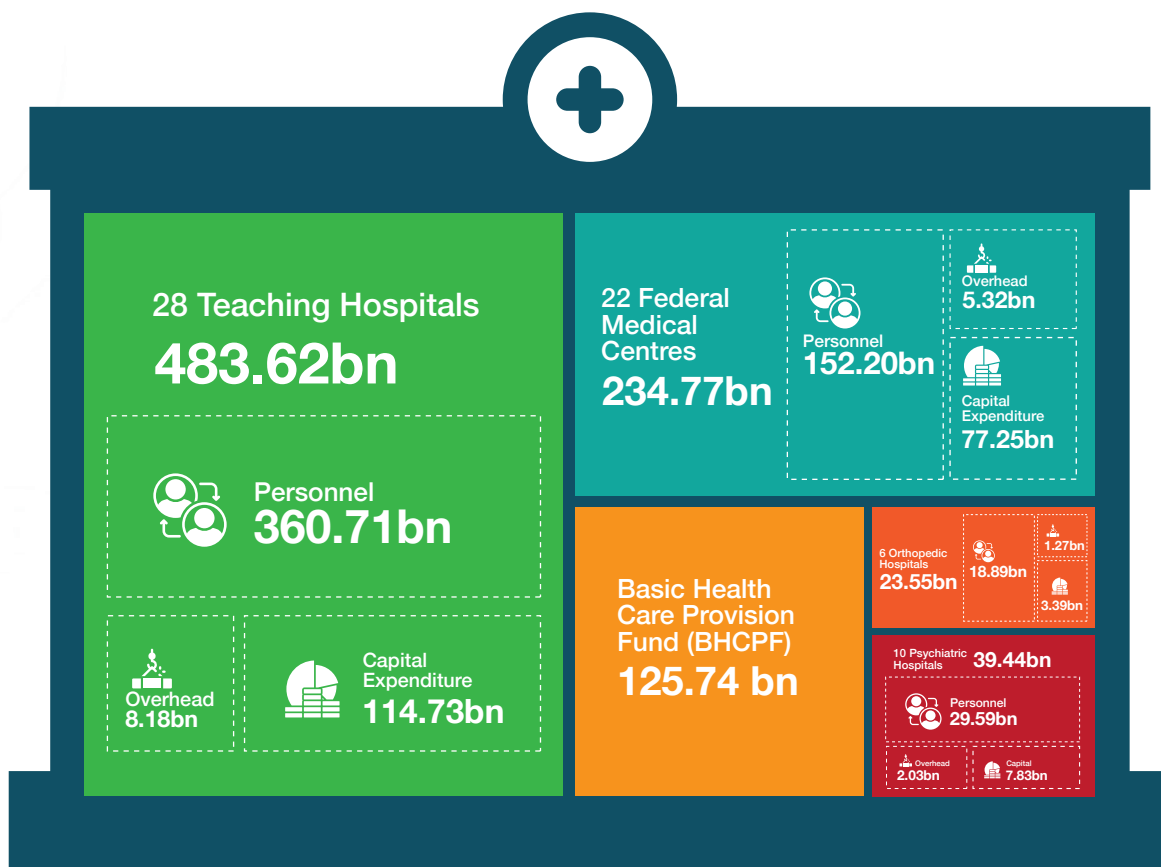
55- <https://www.trade.gov/country-commercial-guides/nigeria-healthcare#:-:text=Healthcare%20infrastructure%20in%20Nigeria%20s.growth%20rate%20of%203.2%25%20annually>

56- <https://businessday.ng/news/article/nigerian-health-workers-fleeing-abroad-hit-18224-in-one-year/#:-:text=Quoting%20data%20from%20the%20National,%2C%20Saudi%20Arabia%2C%20and%20Australia>

while challenges such as malnutrition, maternal and child mortality, and infectious diseases further compound the sector's struggles. Finally, corruption, misappropriation of funds, and mismanagement stand as core obstacles, hindering resource mobilisation and supply in the health sector.

To address the myriad of challenges carefully articulated above, the Coordinating Minister of Health and Social Welfare launched a four-point agenda anchored on improving governance, improving population health outcomes, unlocking healthcare value chain and improving health security. Addressing these multifaceted challenges requires a comprehensive and coordinated effort to bolster Nigeria's health infrastructure, retain skilled professionals, secure adequate funding, and ensure equitable access to quality healthcare across all segments of the population.

Figure 18: 2024 Allocation to Teaching, Orthopaedic and Psychiatric Hospitals, FMC's, and BHCPH



Source: 2024 Appropriation Act, Federal Republic of Nigeria



Figure 19: Top Projects in the 2024 Health Sector Budget



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25211712

Immunization Plus And Malaria
Progress By Accelerating
Coverage And Transforming
Services(Impact)-Immuniza-
tion(Multilateral/Bilateral
Project Tied Loan)

57.39bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212909

Special Intervention To Upgrade
Infrastructure And Medical Equipment In
Federal Teaching Hospitals In The 6
Geo-Political Zones, Including Counterpart
For Cancer Equipment, Collaboration With
Nsia, Technical Assistance For
Procurement, Monitoring And
Accountability To Ensure Efficient Execution

22.00bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212109

Procurement Of Cancer
Equipment, Infrastructure And
Training In Collaboraboration
With Nsia In 6 Teaching
Hospitals (Ubth Benin, Unth,
Enugu, Abuth, Zaria, Feth,
Katsina, Luth, Lagos And
Juth, Jos

20.00bn



National Primary
Health Care
Development Agency

ERGP25212866

Special Intervention For
Revitalization Of Primary
Health Care Centres In Total
180 Units Of 6 Geo-Political
Zones And Fct, Including
Refurbishment, Basic
Equipment, Boreholes And
Management

18.00bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212421

Special Intervention To Upgrade
Infrastructure And Medical
Equipment In 20 Federal Teaching
Hospitals, 10 Federal Medical
Centres, 6 Speciality Hospitals In
6 Geo-Political Zones

17.00bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212408

Digital Transformation In The
Health Sector, Purchase Of
Equipment, Infrastructure,
Services For All Federal Tertiary
Health Institutions

14.29bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212110

Upgrade Of Infrastructure In
Federal Teaching Hospitals (Abuth,
Zaria, Atbuth, Bauchi, National
Hospital, Abuja, Uuth, Uyo, Unth,
Enugu, Luth, Lagos, Feth, Katsina
And Juth, Jos

10.00bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212846

Upgrade Of Ten (10)
New FMCS And
Speciality Hospitals

10.00bn



Nnamdi Azikiwe
University Teaching
Hospital, Nnewi

ERGP25213254

Provision Of
Radio-Diagnostic Centre

9.86bn



Federal Ministry of
Health and Social
Welfare - HQTRS

ERGP25212410

Purchase And Installation Of Solar
Power Equipment And
Maintenance In Federal Tertiary
Health Institutions

8.00bn

Source: 2024 Appropriation Act, Federal Republic of Nigeria

4.9

Women Affairs and Social Development

Nigeria is currently behind a number of its peers in the quest to achieve gender equality across different sectors. According to the World Bank, 49.9% of Nigeria's population are Women and girls, 70% of whom live in extreme poverty. Furthermore, 45% of women have access to financial services, just as 10% of women are farm land owners despite constituting 70%-80% of the agricultural labour force. Worsemore, while just 34% of women and girls have access to the internet, 53% of girls in Nigeria will potentially complete secondary school, compared to their male counterparts who have a better chance (67%) of completing school.

One in five board members of the companies represented on the Nigerian Stock Exchange are women. While the aforementioned statistics isn't exhaustive, the wide gender gap not only hinders gender equity and equality but also slows down economic growth of the Nigerian state.

The World Economic Forum ranks Nigeria 130th out of 146 countries in the Global Gender Gap Index of 2023, falling 7 places from 123rd in the 2022 ranking. Nigeria has a lot of work to do to match its peers like Ghana and Kenya at 100th and 77th position, respectively.



49.9% of Nigeria's population
are Women and girls



70% of whom live in
extreme poverty

Table 2: Country Comparison of the 2023 Global Gender Gap Index ⁵⁷

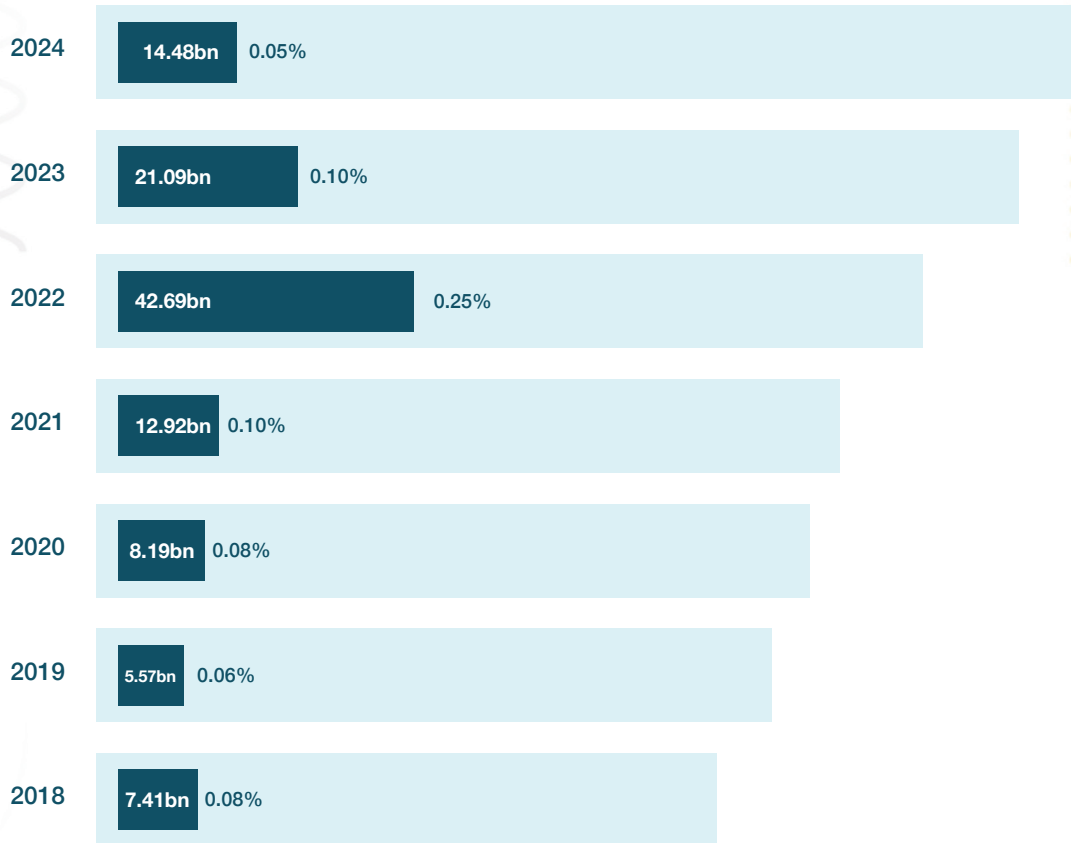
Country	Economic Participation Rank	Educational Attainment Rank	Health Survival Rank	Political Empowerment Rank	GGG Index Rank	GGG Index Score
Egypt	140	119	90	85	134	0.637
Ethiopia	116	135	67	25	75	0.711
Ghana	80	105	36	111	100	0.688
Kenya	16	134	53	75	77	0.708
Nigeria	54	137	99	142	130	0.637
Rwanda	67	110	55	9	12	0.794
South Africa	81	43	29	13	20	0.787

According to the 2023 Global Gender Gap report, Nigeria ranks 130th out of 146 countries due to its pervasive gender disparity, with a score of 0.637 based on political empowerment, educational attainment, health and survival, and economic engagement and opportunity. The 2023 report ranks Nigeria 54th on economic participation, 134th on educational attainment, 99th on health survival, and 142nd on political empowerment. Data on women's representation in politics reveals that women constitute 4.4% of the members of the House of Representatives, 3.7% of members of the Senate, and 5.7% of the members of state Houses of Assembly of the 36 states of the federation.

If Nigeria aims to bridge the existing huge gender gap and move quickly towards achieving SDG 5 (Gender Equality), it needs to create more opportunities for political participation for women, improve property rights for women, improve women's financial inclusion (WFI), and mainstream gender-responsive budgeting to achieve, better health and educational outcome for women and girls and improved women economic empowerment (WEE) and women empowerment collectives (WEC).

57 - https://www3.weforum.org/docs/WEF_GGGR_2023.pdf

Figure 20: Historical Trend of the Budget of the Ministry of Women Affairs



Source: 2024 Appropriation Act, Federal Republic of Nigeria

Historically, budget allocation and spending by the ministry primarily responsible for women's and girls' empowerment, the Federal Ministry of Women Affairs, has been abysmal. Worse, the 2024 allocation to the Ministry of Women Affairs as a percentage (0.05%) of the 2024 total budget is the lowest in the last 7 years. The Ministry's allocation dropped by 31.3% from N21.01bn in 2023 to N10.03bn in 2024. The Ministry got N12.05bn capital budget allocation, representing 83% of the Ministry's budget. This, however, is a 37% drop from the N19.27bn allocated to capex in 2023. Allocations to personnel and overhead cost stood at N1.63bn and N796.72mn respectively. The Ministry of Women affairs headquarters received an allocation of N6.52bn and the National Centre for Women Development received an allocation of N7.96bn. The reduction in the allocation to the ministry which has significantly fallen since 2022 from N42.69bn is alarming and requires a re-evaluation to ensure sustainable and suitable funding for improving women's economic and social empowerment. The 2024 budget has a line item to implement the 2021- 2026 National Gender Policy in Nigeria with an allotted sum of N25.66mn. This administration has demonstrated considerable interest in implementing the WEE policy and action plan developed to address all the identified gaps by 2028. However, adequate and sustainable funding is required to effectively implement the plan.



Table 3: Top 2024 Approved Allocations to WEE, WFI and WEC in the Ministry of Women Affairs

MDA	CODE	LINE ITEM	AMOUNT	CLASSIFICATION
National Centre For Women Development	ERGP22211875	Empowerment Of Women With Deep Freezers, Generators And Other Empowerment Items To Boost Their Daily Earning In The Two (2) Local Government Of North West Senatorial District At 250m Each (Essien & Etim Ekpo)	500.00 m	WEE
National Centre For Women Development	ERGP22211870	Empowerment Of Women With Deep Freezers, Generators And Other Empowerment Items To Boost Their Daily Earning In The Two (2) Local Government Of North West Senatorial District At 250m Each (Ikono & Abak)	500.00 m	WEE
National Centre For Women Development	ERGP22211878	Empowerment Of Women With Deep Freezers, Generators And Other Empowerment Items To Boost Their Daily Earning In The Two (2) Local Government Of North West Senatorial District At 250m Each (Ika & Ikot Epene)	500.00 m	WEE
National Centre For Women Development	ERGP22211881	Empowerment Of Women With Deep Freezers, Generators And Other Empowerment Items To Boost Their Daily Earning In The Two (2) Local Government Of North West Senatorial District At 250m Each (Ini & Obot)	500.00 m	WEE
National Centre For Women Development	ERGP22211887	Empowerment Of Women With Deep Freezers, Generators And Other Empowerment Items To Boost Their Daily Earning In The Two (2) Local Government Of North West Senatorial District At 250m Each (Orun Anam & Ukanafun)	500.00 m	WEE
Federal Ministry of Women Affairs - HQTRS	ERGP22211889	Construction Of Women Training Centre In Dala Lga Kano Central Senatorial District	300.00 m	WEE
National Centre For Women Development	ERGP20247214	Entrepreneurship Empowerment And Provision Of Start Up Equipment (Over Gas Cookers) For Female Farmers In Borno South For Drying And Preservation Of Food.	300.00 m	WEE
Federal Ministry of Women Affairs - HQTRS	ERGP22207408	Establishing Shelters For Sexual And Gender-Based Victims (SGBV) Around States And FCT	285.97 m	WEC
Federal Ministry of Women Affairs - HQTRS	ERGP22212305	Training And Empowerment Of Women And Youths In Ankpa Federal Constituency, Kogi State	250.00 m	WEE
National Centre For Women Development	ERGP20241344	Construction Of Women Hall For Odikirike Community, Obio/Akpor, Rivers State.	230.00 m	WEC
National Centre For Women Development	ERGP20241049	Empowerment And Provision Of Health & Hygiene Products For Women And Youths In Kosofe, Ikosi And Agboyi In Lagos State	228.06 m	WEE
Federal Ministry of Women Affairs - HQTRS	ERGP22207596	Injection Of Funds To WOFE, BUDFOW and ECOWAS Gender Micro Credit Schemes	51.69 m	WFI
Federal Ministry of Women Affairs - HQTRS	ERGP22207622	Program To Improve Access Of Women Cooperatives To Capital And Finance	50.69 m	WFI
Federal Ministry of Women Affairs - HQTRS	ERGP22211395	Financial Inclusion Programme For Women Entrepreneurs	36.52 m	WFI

Gender inclusive budgeting and policies requires that allocations to women economic empowerment, women financial inclusion and women economic collectives are prioritised. It is essential that investment is placed on activities that improve women's skills, agency, resources access and control, and bargaining power to actualise gender equality and empower women economically for the country and themselves. These investments should also target women's access, use and control of financial services that generate economic and financial benefits. Lastly, investments need to be focused on supporting women groups and collectives that provide economic and social support to each other to actualise women's rights and gender equality. This investment over the years cuts across numerous ministries, departments and agencies such as the Ministry of Women Affairs, Ministry of Agriculture and Rural development, Ministry of Humanitarian Affairs, Ministry of Labour and Employment and many more.

4.10

Solid Minerals Sector

The solid minerals sector in Nigeria is a vital component of the country's economy, holding significant potential for sustainable growth and development. Nigeria is endowed with abundant mineral resources such as coal, limestone, iron ore, gold, and numerous others, spread across its diverse geographical regions. Historically, the sector has grossly underperformed, largely overshadowed by the dominance of the oil and gas industry. However, recent efforts by the Nigerian government to diversify the economy have brought renewed attention to the solid minerals sector, aiming to harness its potential for revenue generation, job creation, and industrial development.

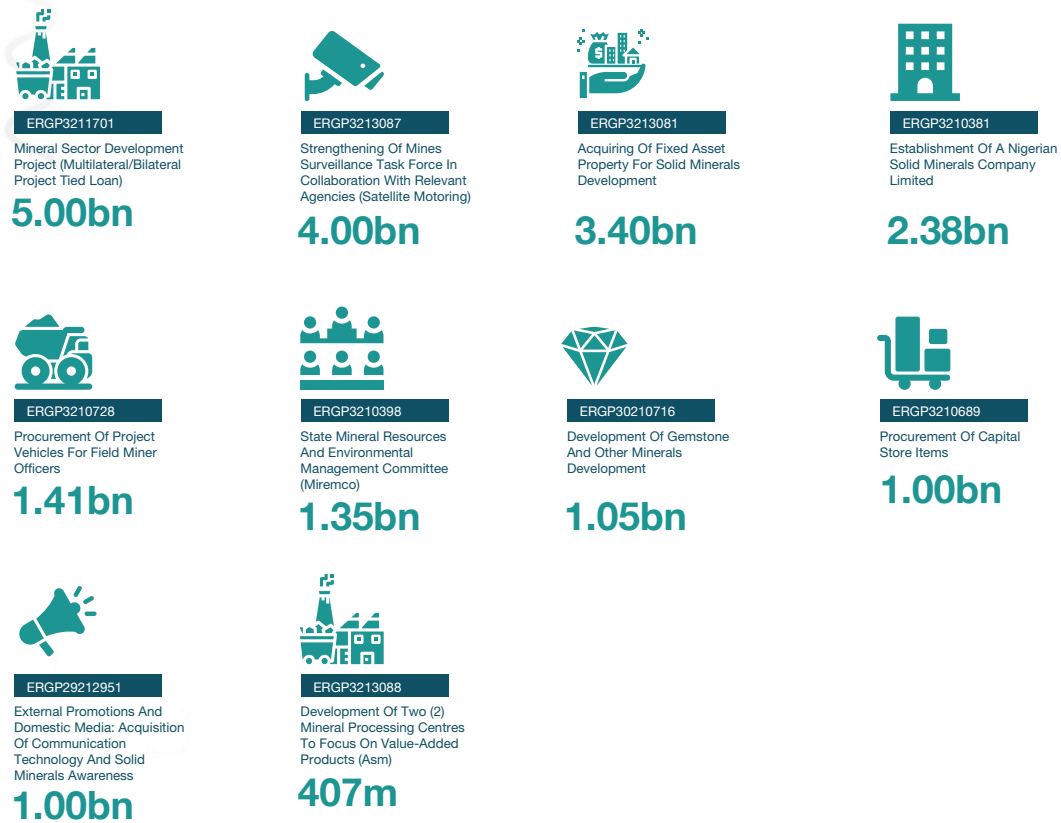
Despite facing challenges such as inadequate infrastructure, regulatory inconsistencies, and illegal mining activities, there is growing optimism surrounding the sector's prospects, with ongoing reforms and investments aimed at unlocking its full potential and positioning Nigeria as a key player in the global minerals market.

A breakdown of the 2024 budget shows that N31.24bn was allocated to the solid minerals sector, representing 0.11% of the total budget. 86.15% of the sector's budget was allocated for capital expenditure, 5.37% for overheads and 8.48% for personnel cost.



Despite facing challenges such as inadequate infrastructure, regulatory inconsistencies, and illegal mining activities, there is growing optimism surrounding the sector's prospects.

Figure 21: Top 10 Solid Minerals Projects in the 2024 Approved Budget



Source: Budget Office of the Federation

The solid minerals sector in Nigeria faces numerous challenges that impede its potential for growth and development. One major challenge is inadequate infrastructure, including poor road networks, unreliable power supply, and inadequate transportation systems. These deficiencies increase the cost of exploration, mining, and processing operations, reducing the sector's competitiveness and attractiveness to investors.⁵⁸ Moreover, the lack of infrastructure inhibits the efficient movement of raw materials and finished products, hindering the sector's contribution to economic growth and development.

58- Aigbokhan, B. E. (2012). An Empirical Analysis of the Contribution of Mining Sector to Economic Development in Nigeria. Oil, Gas & Energy Law Intelligence, 10(2), 1-16.



Many mining projects struggle to attract investment due to perceived risks, insufficient collateral, and a lack of supportive financial instruments.

Another significant challenge is the dominance of artisanal and small-scale mining activities, which often operate informally and without adherence to environmental and safety standards. Artisanal mining activities contribute to environmental degradation, deforestation, and land degradation, leading to negative socio-economic impacts on local communities.⁵⁹ Additionally, the informal nature of artisanal mining results in revenue losses for the government due to tax evasion and undermines efforts to regulate and formalise the sector.

Despite efforts to reform the legal and regulatory framework governing mining activities, inconsistencies and ambiguities persist, creating uncertainty for investors and hindering long-term planning and investment.⁶⁰ Furthermore, bureaucratic bottlenecks, corruption, and inadequate enforcement of regulations exacerbate the challenges faced by industry stakeholders.

Streamlining regulatory processes, enhancing transparency, and strengthening institutional capacity are essential for creating an enabling environment for sustainable growth and investment in the solid minerals sector.

Finally, limited access to financing and technical expertise constrains the development of the solid minerals sector in Nigeria. Many mining projects struggle to attract investment due to perceived risks, insufficient collateral, and a lack of supportive financial instruments.⁶¹ Moreover, the shortage of skilled manpower and technical expertise hampers the adoption of modern technologies and best practices, limiting productivity and efficiency gains. Addressing these challenges requires concerted efforts from the government, private sector, and development partners to mobilise resources, build capacity, and foster innovation in the solid minerals sector.

59- Ejofor, A. O., et al. (2018). Environmental Impacts of Artisanal Mining in Nigeria. *Journal of Environment Pollution and Human Health*, 6(1), 1-8.

60- Obaje, N. G. (2009). *Geology and Mineral Resources of Nigeria*. Springer Science & Business Media.

61- Oladipo, O. A., et al. (2019). Financing Challenges of Small and Medium Scale Enterprises in Nigeria: A Survey of Selected Enterprises in Lagos State. *International Journal of Business and Management Review*, 7(3), 38-50.



Another promising opportunity in Nigeria's solid minerals sector is in mining and beneficiation. The country possesses significant reserves of minerals such as coal, iron ore, and tin, which can be mined and processed for both domestic use and export.

Opportunities in the Solid Minerals Sector

The solid minerals sector in Nigeria presents abundant opportunities for growth and development, attracting both domestic and foreign investors due to the country's rich geological endowment. With over 40 different types of solid minerals found across the country, including gold, limestone, coal, and iron ore, Nigeria possesses significant potential for exploitation. These minerals have diverse applications in various industries such as construction, manufacturing, and energy production, offering avenues for investment and economic diversification.

One of the key opportunities in Nigeria's solid minerals sector lies in exploration and prospecting. Despite the country's geological potential, much of its mineral wealth remains unexplored or underexploited. There is a need for detailed geological surveys and exploration activities to identify and quantify mineral deposits accurately.

Investing in modern exploration techniques and technology can significantly increase the chances of discovering new mineral deposits, thereby expanding the country's resource base and attracting further investment. Additionally, initiatives such as the National Integrated Mineral Exploration Project (NIMEP)⁶² aim to enhance geological data collection and exploration activities, further unlocking the sector's potential.

Another promising opportunity in Nigeria's solid minerals sector is in mining and beneficiation. The country possesses significant reserves of minerals such as coal, iron ore, and tin, which can be mined and processed for both domestic use and export. Developing efficient and environmentally sustainable mining operations, as well as value-addition through beneficiation processes, can create employment opportunities and generate revenue for the government. Furthermore, partnerships with international mining companies can bring in expertise and capital to accelerate the development of the sector.

62- <https://ngsa.gov.ng/nimep/>

Lastly, Infrastructure development is critical to unlocking the full potential of Nigeria's solid minerals sector. Adequate infrastructure, including transportation networks, power supply, and processing facilities, is essential for the efficient extraction, processing, and export of minerals. Investment in infrastructure projects, both by the government and private sector, can improve access to remote mining sites, reduce production costs, and enhance the competitiveness of Nigeria's minerals in the global market. With proper infrastructure and investment, Nigeria could become a major player in the global solid minerals market. Additionally, the development of supportive policies and regulatory frameworks is necessary to attract investment and ensure sustainable development in the sector.



05

**Review of the Insertions
by the National Assembly
in the 2024 Budget**

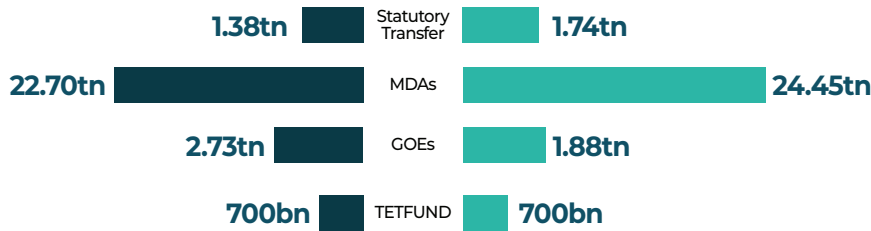
Facts about the Federal Government 2024 Budget

Proposed Budget
27.5tn

Approved Budget
28.78tn

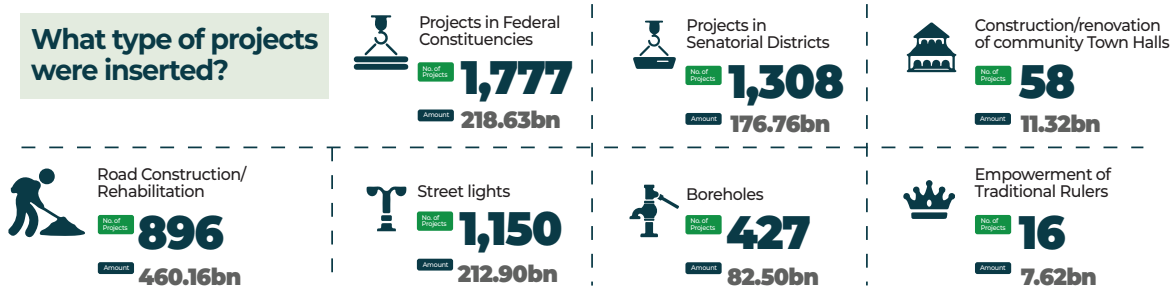
7447
projects were inserted by NASS

2.24tn
Total value of insertions



The budget breakdown of TETFUND, INEC, National Assembly, National Judicial Council, Public Complaints Commission and Government Owned Enterprises, with a cumulative budget of 3.32tn were not published

What type of projects were inserted?



Top 5 MDAs with the highest number of insertions



See how NASS mutilated the budget

Implementing MDA	Mandate (Why the MDAs were established)	Project Code & Description	Amount
National Centre for Agricultural Mechanisation, Ilorin	Produce, distribute & utilize tools, machinery and equipment for the development of agricultural land, planting, harvesting and primary processing	ERGP297481232 Provision of security patrol vehicles in Lagos	500m
The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)	To promote the development of the MSME sector of the Nigerian Economy	ERGP20241489 Procurement and distribution of official vehicles to selected traditional rulers in the six geo-political zones in Nigeria (multiple lots)	5bn
Federal Cooperative College, Oji River, Enugu	A higher institution of learning that offers broad and diverse range of studies based on the concept of research-oriented teaching	ERGP5211990 Construction of rural farm roads in Essien & Etim Ekpo of Akwa Ibom north west senatorial district @ N500m per LGA	1bn
Cocoa Research Institute- Ibadan	National Institute with research mandate on Cocoa, Kola, Coffee, Cashew and Tea.	ERGP20243532 Provision of grants to vulnerable youths and women in Lagos East senatorial district	180m
Nigerian Institute for Oceanography and Marine Research (NIOMR)	Established to explore Marine Resources and Conservation for Sustainable Development and Healthy Marine Environment	ERGP20246075 Construction of all-in-one solar street lights in some selected areas of Ohunbe and Vawhe communities	1bn

Recommendations

- The Budget Office must publish the detailed line-by-line breakdown of the N28.78tn Approved Budget
- Seek judicial pronouncement on the scope of the appropriation powers granted the National Assembly by the constitution
- Stop the citing of projects in MDAs that neither have the mandate nor technical capacity to implement the projects.



To create fiscal space for the insertions, the National Assembly cut the proposed budget of Government Owned Enterprises by N850bn and the proposed debt service budget by N220bn and added another N1.27tn to make up the N2.24tn.

Sections 58, 59, and 81 of the 1999 Constitution of the Federal Republic of Nigeria empower the National Assembly and State Houses of Assembly to review annual budgets laid before it by the executive and appropriate funds accordingly. Although the Constitution grants the National Assembly appropriation powers, it behoves the National Assembly to use those powers responsibly and in a way that ensures resource efficiency, is devoid of waste, and stimulates economic growth and development.

The executive arm of government exists to formulate policies, prepare short-term and long-term plans, and implement those plans. To achieve those development plans, the executive prepares a budget detailing how it intends to raise revenues and spend those revenues to achieve its policy objectives and developmental goals.

However, for the proposed budget to have the force of law, it is submitted to the National Assembly for review and approval. However, the way and manner in which the Nigerian National Assembly reviews the budget distorts it and weakens its potency as an effective tool for development.

The National Assembly increased the 2024 Executive Budget Proposal by N1.27tn. However, it inserted 7,447 projects, with a cumulative value of N2.24tn, in the budgets of 326 MDAs. To create fiscal space for the insertions, the National Assembly cut the proposed budget of Government Owned Enterprises by N850bn and the proposed debt service budget by N220bn and added another N1.27tn to make up the N2.24tn.

63- See the Constitution of the Federal Republic of Nigeria, 1999 (as amended). Available at: https://www.constituteproject.org/constitution/Nigeria_1999.pdf

Table 4: Breakdown of National Assembly Insertions in the 2024 Budget

S/N	Value Bands (naira)	Number of Projects	Amount (naira)	Share of Total Insertions
1	Greater than 5 billion	55	580.76 bn	25.94%
2	Greater than or equal to 1 billion but less than 5 billion	281	491.07 bn	21.93%
3	Greater than or equal to 500 million but less than 1 billion	464	282.30 bn	12.61%
4	Greater than or equal to 100 million but less than 500 million	3706	759.90 bn	33.94%
5	Greater than or equal to 50 million but less than 100 million	1458	87.32 bn	3.90%
6	Greater than or equal to 10 million but less than 50 million	1437	37.42 bn	1.67%
7	Less than 10 million	46	268.6 m	0.01%
Total Value of Insertions		7447	2.24 tn	100.00%

Source: 2024 Appropriation Act, Federal Republic of Nigeria

Table 4 shows that 55 projects (with a aggregate value of N580.76bn) costing N5bn and above, 281 projects costing between N1bn and N5bn, 464 projects costing between N500m and N1bn, 3,706 projects with amounts between N100m and N500m, and 1,437 projects costing N50m and N100m were inserted into the budget.

Table 5: Project Categorisation of Insertions

S/N	Nature of Insertions	Number of Projects	Amount (naira)
1	Projects in Federal Constituencies	1,777	218.63 bn
2	Projects in Senatorial Districts	1,308	176.76 bn
3	Street lights	1,150	212.90 bn
4	Boreholes	427	82.50 bn
5	ICT-related Projects	170	30.96 bn
6	Construction/renovation of Community Town Halls	58	11.32 bn
7	Education related projects (Construction of classroom blocks, provision of exercise books, training of teachers etc)	767	186.78 bn
8	Health related projects	503	89.63 bn
9	Empowerment of Traditional Rulers	16	7.62 bn
10	Road Construction/Rehabilitation	898	460.16 bn
11	Purchase of security vehicle	9	2.04 bn

Source: 2024 Appropriation Act, Federal Republic of Nigeria

A critical look at the insertions reveal that while 1,777 projects (with a cumulative cost of N218.63bn) to be implemented in the federal constituencies of the House of Representative members were inserted in the 2024 budget, 1,308 projects (costing N176.76bn) are to be implemented in Senatorial Districts across the federation. Furthermore, the insertions constituted 1,150 streetlight projects, 427 borehole projects, 170 ICT related projects, 868 road construction/rehabilitation projects, etc.

Table 6 : Top MDAs with the Most Number of National Assembly Insertions

S/N	MDA	Number of Projects	Amount (naira)
1	BORDER COMMUNITIES DEVELOPMENT AGENCY (BCDA) HQTRS	446	51.09 bn
2	FEDERAL CO-OPERATIVE COLLEGE- OJI RIVER	419	90.81 bn
3	NATIONAL PRODUCTIVITY CENTRE	397	63.50 bn
4	NIGERIAN BUILDING AND ROAD RESEARCH INSTITUTE - LAGOS	267	110.18 bn
5	FEDERAL COLLEGE OF HORTICULTURE, DADIN-KOWA, GOMBE	248	42.39 bn
6	SMEDAN - H/QTRS	213	57.88 bn
7	FEDERAL CO-OPERATIVE COLLEGE- IBADAN	182	45.36 bn
8	FEDERAL MINISTRY OF WORKS	178	222.86 bn
9	UNIVERSAL BASIC EDUCATION (UBE) COMMISSION	178	18.44 bn
10	FEDERAL MINISTRY OF AGRICULTURE AND FOOD SECURITY - HQTRS	174	130.02 bn

Source: 2024 Appropriation Act, Federal Republic of Nigeria

Some MDAs of government in recent times have been identified as havens for insertion of projects by National Assembly members. The Border Communities Development Agency (BCDA) warehoused the greatest number of insertions, having accommodated 446 inserted projects with a cumulative value of N51.09bn. Federal Cooperative College, Oji River, Enugu State is equally culpable for hosting 419 inserted projects, the bulk of which are outside the mandate of the higher institution of learning. Furthermore, N110.18bn was spread across 267 projects an inserted in the budget of the National Building and Road Research Institute, Lagos, just as 178 projects costing N222.86bn and 174 projects costing N130.02bn were inserted in the budgets of the Federal Ministry of Works HQ and Federal Ministry of Agriculture and Food Security HQ, respectively.

It is important to note that the executive budget proposal submitted to the National Assembly by the President featured largely projects situated in MDAs that fell within the mandate of the implementing MDAs and the scope of the federal government.

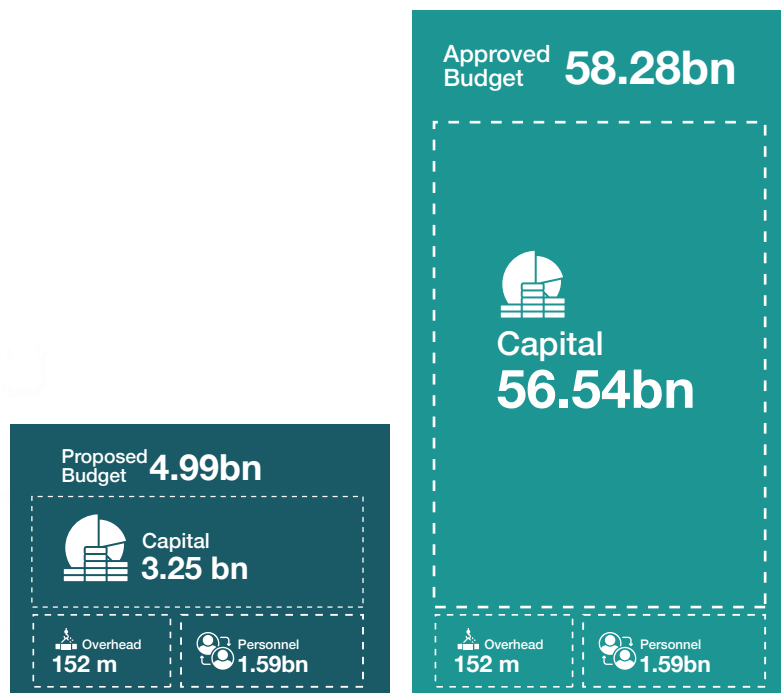
5.1

Deep Dive into MDAs notorious for harbouring National Assembly Insertions

5.1.1 Nigerian Institute for Oceanography and Marine Research (NIOMR)

The Nigerian Institute for Oceanography and Marine Research (NIOMR) was established in November 1975 for the rational exploitation of marine resources and conservation for sustainable development and a healthy marine environment.

Figure 22: NIOMR 2024 Budget



Source: 2024 Appropriation Act, Federal Republic of Nigeria

The institute's budget was increased by 1069% by the National Assembly from N4.99bn proposed by the executive to N58.28bn. A disaggregated look at the Institute's budget revealed that 161 projects with a cumulative value of N46.64bn were inserted into its budget, while 5 projects with cumulative value of N6.6bn were reassigned from the Federal Ministry of Agriculture and Food Security HQ to NIOMR. The National Assembly inserted 34 streetlight projects worth N10.46bn, 8 projects worth N2.63bn, 6 community townhall construction projects worth N2.02bn, and 21 road construction projects worth N10.89bn in the 2024 budget of NIOMR.

Table 7: Examples of National Assembly's Insertions in the 2024 Budget of NIOMR

ERGP Code	Project	Amount
ERGP20242004	Construction Of Model Vip Toilets In II Wards Of Edda Local Government Area	500.00 m
ERGP20245714	Reconstruction Of (3.35km) Adesanolu Road, Mowe, Obafemi Owode LGA	2.30 bn
ERGP20242452	Construction, Furnishing, And Equipping Of A 250 Bed General Hospital With Doctor's Quarters, Solar Inverter And Borehole In Katcha LGA, Niger State Phase 1	409.09 m
ERGP20246892	Construction Of Ultra Modern Town Hall and Other Facilities In Idung Akpan	402.05 m
ERGP5212002	Rehabilitation Of Selected Roads And Installation Of New Transformers and Cables in Different Towns in Ini & Obot Local Government Of North West Senatorial District Of Akwa Ibom	1.00 bn
ERGP20246075	Construction Of All-In-One Solar Street Lights in Some Selected Areas Of Ohunbe And Vawhe Communities	1.00 bn

Source: 2024 Appropriation Act, Federal Republic of Nigeria

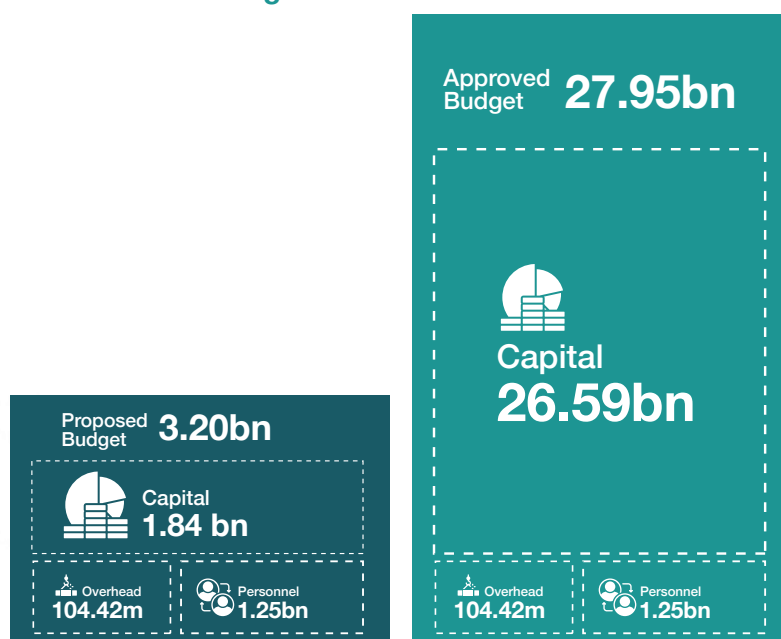
NIOMR, if restructured and recalibrated, could play a pivotal role in Nigeria's maritime and aquatic prosperity aspirations. Nigeria has a coastline that stretches for 420 nautical miles and covers an exclusive economic zone of 200 nautical miles. Its maritime interests cut across the Gulf of Guinea, covering about 574,800 square nautical miles with a 2,874 nautical mile coastline.⁶⁴ The blue economy contributes \$1.5tn to the global economy, while Nigeria has an untapped blue economy potential of \$296bn. The Institute, therefore, should focus its efforts on cutting edge research in fishing, aquaculture, tourism and recreation, maritime transportation, and renewable energy, and climate adaptation. Furthermore, NIOMR should be moved from the Federal Ministry of Agriculture and Food Security to the Federal Ministry of Marine and Blue Economy to serve as the knowledge bank of the newly formed Ministry.

64- See "Nigeria's new blue economy ministry could harness marine resources - moving the focus away from oil", by Isa Olalekan Elegbede, on 2nd October 2023, published in The Conversation (Online). Available at: <https://theconversation.com/nigerias-new-blue-economy-ministry-could-harness-marine-resources-moving-the-focus-away-from-oil-213678>

5.1.2 Nigeria Stored Products Research Institute, Ilorin (NSPRI)

Founded in 1948, the Nigerian Stored Products Research Institute (NSPRI) began as the West African Stored Products Research Unit (WASPRU). During the colonial era, WASPRU ensured the quality of crops exported from Nigeria, Ghana, Sierra Leone, and Gambia to the United Kingdom. After Nigeria gained independence in 1960, the organisation became NSPRI. The institute falls under the Federal Ministry of Agriculture and Food Security.

Figure 23: NSPRI 2024 Budget



Source: 2024 Appropriation Act, Federal Republic of Nigeria

The National Assembly raised the 2024 NSPRI budget proposal of N3.2bn by 773.36% to N27.95bn. 96 projects with the cumulative value of N19.75bn were inserted into the research institute's budget while five projects (jointly costing N5bn) initially placed in the Federal Ministry of Agriculture and Food Security HQ were reassigned to NSPRI. Interestingly, the aforementioned 5 projects are in the senatorial district of the Senate President.

The NSPRI was established to conduct research on the improvement and maintenance of the quality of bulk commodity crops and local food crops; conduct special studies on stored products pests, pesticide formulations and residue and mycotoxin surveys; and train extension workers in problems associated with stored products and materials in storage structures, new insecticides, new items of equipment and techniques. However, the Institute is now used as a vehicle to execute frivolous projects outside its scope and mandate.

Table 8: Top Projects in NSPRI's 2024 Budget

ERGP Code	Project	Type	Approved Budget
ERGP20246086	Erosion Control In Amudo Umuchi That Spurs To Okoh Road In Anambra State To Enhance Movement Of Farm Produce (Lot 1 & Lot 2) @500m Per Lot	New	1.00 bn
ERGP5211989	Construction Of Rural Farm Roads In Ikono & Abak Of Akwa Ibom North West Senatorial District@ N500m Per Lga	New	1.00 bn
ERGP5211992	Construction Of Rural Farm Roads In Ini & Obot Of Akwa Ibom North West Senatorial District @ N500m Per Lga	New	1.00 bn
ERGP5211993	Construction Of Rural Farm Roads In Orun Anam & Ukanafun Of Akwa Ibom North West Senatorial District @ N500m Per Lga	New	1.00 bn
ERGP5211999	Rehabilitation Of Selected Roads And Installation Of New Transformers And Cables In Different Towns In Ikono & Abak Local Government Of North West Senatorial District Of Akwa Ibom	New	1.00 bn
ERGP5212000	Rehabilitation Of Selected Roads And Installation Of New Transformers And Cables In Different Towns In Essien & Etim Ekpo Local Government Of North West Senatorial District Of Akwa Ibom	New	1.00 bn
ERGP20241832	Provision Of Solar Borehole In Selected Agro Processing States		991.85 m
ERGP20249002	Construction Of Solar Light In Various Communities Of Kabba Bunu/ Ijumu Kogi State	New	875.52 m
ERGP5212024	Distribution Of Grains In All The Towns In Five (5) Lga Of Essien Udim, Ika, Ikot Epene, Ikono & Abak Local Government To Cushion Hunger@ N100m Per LGA	NEW	691.61 m

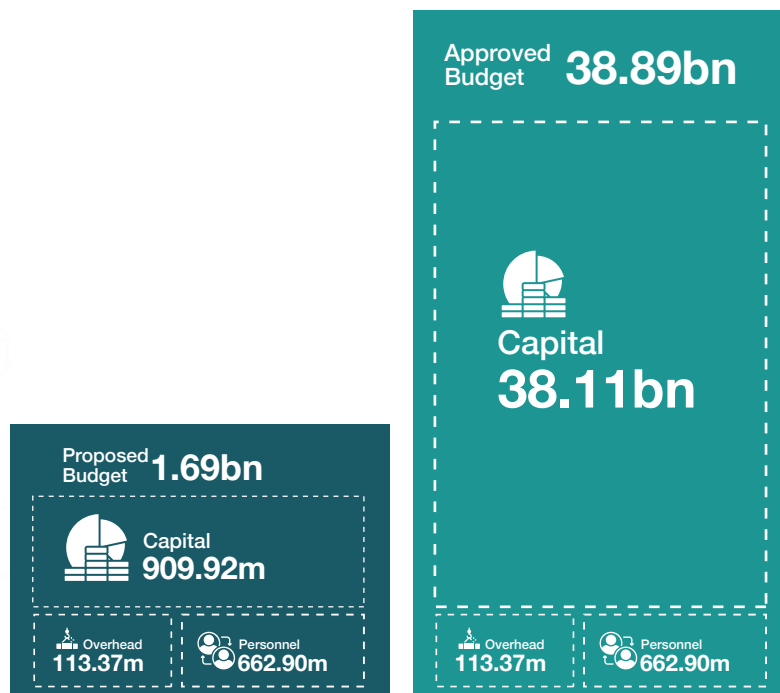
Source: 2024 Appropriation Act, Federal Republic of Nigeria

A cursory look at the top 10 projects to be executed by the research institute reveals 9 out of 10 projects are outside its scope of and mandate. According to FAO, 1.5-2 million tonnes of cereals and grain legumes representing 15-20% of the annual 10 million tonnes produced are lost due to poor storage. Furthermore, it has been widely reported that most of the 33 silos across the country with a total capacity of 1.3 metric tonnes of grains are empty or put into other uses. The country's lofty ambition of reducing post-harvest losses from 60% to 30% is anchored on the ability of this research institute to provide requisite research-driven local solutions. For this to happen, NSPRI needs to be rescued from the claws of politicians and adequately funded to execute its core mandate.

5.1.3 National Centre For Agricultural Mechanisation- Ilorin

The National Centre For Agricultural Mechanisation (NCAM), Ilorin was established to mechanise agriculture in Nigeria by producing, distributing and utilising a variety of tools, machinery and equipment for the planting, harvesting, primary processing, and the development of agricultural land.

Figure 24: National Centre for Agricultural Mechanisation 2024 Budget



Source: 2024 Appropriation Act, Federal Republic of Nigeria

NCAM's executive budget proposal of N1.69bn was adjusted upwards by 2206.35% to N38.89bn by the National Assembly. The executive budget proposal of NCAM submitted to the National Assembly had ten capital projects bordering on research related activities, improving the efficiency of NCAM and the capacity of their researchers, and purchase of equipment for the centre. However, the budget approved by the National Assembly contained 163 additional projects, 161 of which were a creation of the National Assembly members and two reassigned from the Federal Ministry of Agriculture and Food Security HQ.

Table 9: Summary of the Frivolous Projects and Projects Outside the Mandate of NCAM

Outside MDA's Mandate	Amount (naira)	Share of Total Insertions
Street Lights & Boreholes	7.62 bn	19.58%
Roads & other Works	2.46 bn	6.31%
Electricity Transformers	1.63 bn	4.18%
Education Infrastructure & Skill Acquisition	4.17 bn	10.72%
Health Infrastructure	458.00 m	1.18%
Skills Acquisition & Empowerment	1.61 bn	4.14%
ICT Training & Construction of ICT Centre	7.30 bn	18.77%
Other Frivolous Provisions (e.g security vehicle purchase for lagos, traditional rulers allowance	590.00 m	1.52%
Total	25.82 bn	66.40%

Source: 2024 Appropriation Act, Federal Republic of Nigeria

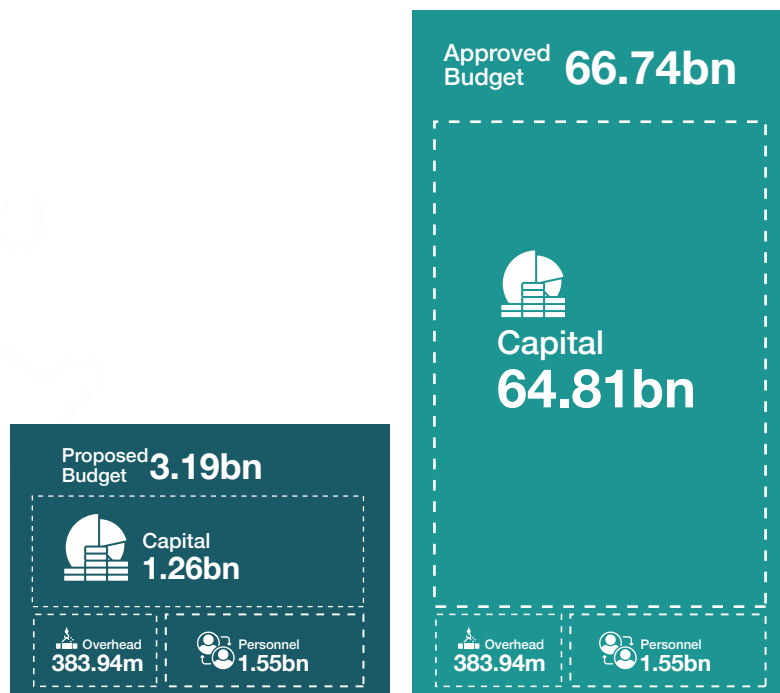
Unfortunately 19.58% of NCAM's was allocated to the installation streetlights and boreholes, 6.31% to the construction of roads, 4.18% to the installation of electricity transformers in communities, 10.72% on the Renovation/Construction of Classroom Blocks, 1.18% on the Renovation/Construction of Health Centres, 4.14% and 18.77% on skill acquisition projects and the construction of ICT centres, respectively. Summarily about 66.4% of NCAM's approved budget was earmarked for projects outside the scope of the centre. This anomaly of citing projects in MDAs that neither have the mandate nor the technical capacity to implement the projects often results in poor implementation and/or failure of those projects.

In spite of the immense benefits that mechanisation brings to the agricultural sector, smallholder farmers, who constitute a significant portion of Nigeria's agricultural sector, still largely lack access to modern machinery required to improve yield at scale. More specifically, the farm mechanisation-related problems that farmers face include lack of suitable farm machines for different operations; lack of repair and servicing facilities for machines; lack of trained manpower; lack of coordination between research organisations and manufacturers; high cost of machines; inadequate quality control of machines. If Nigeria is serious about ensuring food sufficiency and security, resources allocated to NCAM must be solely focused on the challenges mentioned above that limit farm mechanisation.

5.1.4 National Productivity Centre

The National Productivity Centre is a research-oriented Federal Government Parastatal that is under the supervision of the Ministry of Labour and Productivity. The Agency's mandate is to mobilise and develop the productive capacity of human resources of organisations for the attainment of organisational goals and to enhance productivity and competitiveness in Nigeria. One of the key responsibilities of the agency includes monitoring productivity trends, promoting best practices, and leading the productivity movement.

Figure 25: The 2024 Budget Summary of the National Productivity Centre



Source: 2024 Appropriation Act, Federal Republic of Nigeria

The National Assembly significantly increased the Centre's budget proposal from N3.19bn to N66.74bn. Just as the National Assembly did with the budgets of several MDAs of government, it flooded the National Productivity Centre's budget with 397 additional projects amounting to N63.5bn. The insertions by the National Assembly in the budget of the National Productivity Centre constitutes 95.14% of the centre's budget. The drafters of the Constitution, in granting the powers of appropriation to the National Assembly, did not envisage a time when the National Assembly will completely hijack the budget proposal of the executive; else, they would have placed limits on those powers.

Table 10: Nature of Insertions into the National Productivity Centre's 2024 Budget

Projects	Amount (naira)	As a % of MDA's Budget
Streetlights & Boreholes	16.05 bn	24.05%
Roads and other Works	9.55 bn	14.31%
Electricity Transformers	2.29 bn	3.43%
Health Infrastructure	3.23 bn	4.83%
Education Infrastructure & Skill Acquisition	6.66 bn	9.97%

Source: 2024 Appropriation Act, Federal Republic of Nigeria

It is irrational and illogical to have a Centre established to drive national productivity and promote productivity consciousness in all sectors of the Nigerian economy have almost a quarter of its budget focused on installing streetlights and boreholes in local communities across the federation. Worsemore, the federal government established the Federal Ministry of Works and agencies under it to plan, design, construct, rehabilitate, monitor and maintain roads and bridges; however, the National Productivity Centre, despite been ill-equipped the deliver the quality road and works project, gets N9.55bn to construct roads and bridges. Similarly, the Centre has been tasked by the National Assembly to provide electricity transformers, health infrastructure and equipment, and education infrastructure to the tune of N2.29bn, N3.23bn, and N6.6bn, respectively. Allocating scarce resources in this manner can only result in failure of the bulk of these projects, the bulk of which will be implemented with borrowed funds.

It is recommended that the Centre strictly adheres to its defined scope of work, concentrating its resources and efforts on research, development and innovation. The Centre should focus on activities that reduce unemployment and underemployment at scale by and align with its self-acclaimed philosophy of developing a culture of operational efficiency, effectiveness and respect for the rights of employees and other stakeholders, for the attainment of higher levels of national productivity and competitiveness.

Table 11: Top Projects in the 2024 Budget of the National Productivity Centre

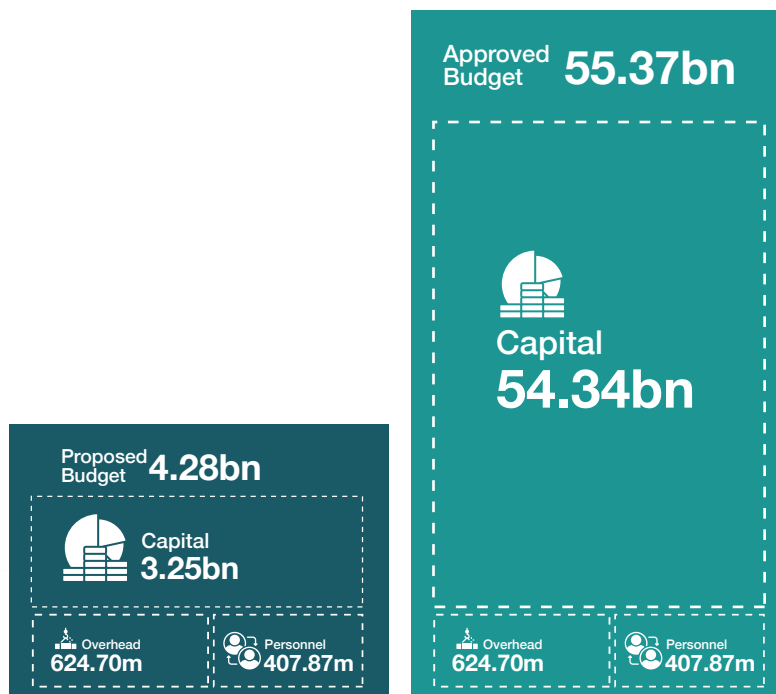
ERGP Code	Project	Type	Approved Budget (naira)
ERGP20240086	Rehabilitation Of Camp Roads, Solar Light And Building Of Army Forwarding Operation In Uburu Ohaozara Lga, Ebonyi State.	New	1.50 bn
ERGP20242398	Road Construction And Solar Street Lighting Of Fatima Alawiye Street-Papa;, Ogunmefun Street-Papa;; Olofin Street (Slope To Lagos Road);Peleyeju-Uraka Street; S-Ramon Street; ,Alh. Hassan Street -Through Section Of Kila Rd To Famco Slope; Muritala Bada Street, Lot 1-3 , Epe Federal Constituency	New	1.45 bn
ERGP20246150	Supply Of Tricycles For Poverty Alleviation In Ataa And Irepodun Owode Communities (Lots 1-10)	New	1.00 bn
ERGP20242067	Provision Of Solar Power Light In Various Communities In Southwest	New	900.00 m
ERGP20242132	Construction And Rehabilitation Of Phase Two Roads In Various Locations In Kogi State.	Ongoing	850.00 m
ERGP20244336	Rehabilitation Of Palaces In Ikeja Federal Constituency, Lagos State.Lot 1-2	New	714.25 m
ERGP20242066	Light Up Community Construction And Installation Of (All-In -One) Solar Street Light With Lithium-Ion Battery 10,000 Lumens With Pir In Various Communities In Kogi State	New	700.00 m
ERGP20245856	Provision And Installation Of All In One Solar Powered Street Light In Selected Communities In Rivers State	New	500.00 m
ERGP20246157	Supply Of Food Items To Less Privileged Families In Temitope And Ago Eyo Communities Lot1,2,3,4,5.	Ongoing	500.00 m
ERGP20247375	Reconstruction Of Eka Meta Sports Complex, Motorised Borehole And Flood Lights In Rijiyen Ekiti	New	500.00 m
ERGP20247376	Reconstruction Of Sports Complex, Motorised Borehole And Flood Lights In Ipoti Ekiti	New	500.00 m

Source: 2024 Appropriation Act, Federal Republic of Nigeria

5.1.5 Border Communities Development Agency (BCDA) Headquarters

The Border Communities Development Agency (BCDA) is a federal government agency established by an Act of Parliament in 2003 and it falls under the purview of the Secretary to the Government of the Federation.⁶⁵ The BCDA's mandate is to develop all Border Communities' amenities through the implementation of planned and sustainable projects. Through these initiatives, the BCDA aims to improve the overall well-being of residents of border communities.

Figure 26: BCDA's 2024 Approved Budget



Source: 2024 Appropriation Act, Federal Republic of Nigeria

BCDA's 2024 budget was raised from the N4.28bn proposed by the executive to N55.37bn, this gives a huge increment of 1193.7%. The difference is a result of an additional 446 capital projects that were inserted by the National Assembly, which increased the allocation for capital projects to increase from N3.25bn to N54.34bn.

To optimise resource allocation and avoid duplication of efforts, the agency should implement a robust project allocation process. This process should ensure that projects are strategically assigned to the locations with the greatest need and minimal overlap with existing initiatives. Given that some amenities fall within the mandate of other ministries, it is crucial for the agency to establish strong collaborative mechanisms with these ministries.

65- <https://faolex.lao.org/docs/pdf/nig120197.pdf>

Through open communication and data sharing, the agency can identify potential conflicts and ensure that communities are not subjected to redundant projects. This collaborative approach will lead to a more efficient and impactful utilisation of resources, ultimately benefiting the targeted communities.

Table 12: Top Insertions in BCDA's 2024 Approved Budget

ERGP Code	Project	Type	Approved Budget (naira)
ERGP20242176	Rehabilitation Of Kwaturu To Sabon Sarki Road Kaduna State	ONGOING	700.00 m
ERGP20249999	Construction Of Yasma Road In Gandu Area, Tambuwal, Sokoto State.		700.00 m
ERGP20250000	Construction Of Alero Road Runjin Sambo, Sokoto State.		700.00 m
ERGP20243428	Training Of Traditional Rulers On Peace And Security In Ikeja Federal Constituency,Lagos State		614.25 m
ERGP20241385	Construction Of Modern Motor Parks In Sabongidda-Ora, Uzebba And Afuze In Owan Federal Constituency, Edo State	NEW	600.00 m
ERGP20241393	Erosion Control And Provision Of Drainages In Owan Federal Constituency	NEW	500.00 m
ERGP20245858	Provision And Installation Of All In One Solar Powered Street Light In Selected Locations In Edo State	NEW	500.00 m
ERGP20247525	Purchase And Installation Of Solar Street Lights	NEW	500.00 m
ERGP20247665	Construction/Rehabilitation Of Rural Community Roads, Drainage And Culverts In Obafemi, Akute And Other Locations Within The Same Senatorial District.	NEW	500.00 m
ERGP20247741	Construction Of Market Lock-Up Shops And Stalls With Solar Powered Boreholes And Street Lights In Army Barrack, Biu	ONGOING	500.00 m
ERGP20245976	Reconstruction Of Primary Schools In Isialngwa North, Isialngwa South And Osisioma Lgas Of Abia State.	NEW	450.00 m

Source: 2024 Appropriation Act, Federal Republic of Nigeria

A critical review of the agency's implemented projects reveals a concerning trend, a significant portion of these projects are not situated within the border communities, the regions that would ostensibly benefit most from them. The data demonstrates a scattered distribution of projects across the nation, this geographical disparity warrants further investigation to ensure that resources are being allocated effectively to address the most pressing challenges of these border communities.

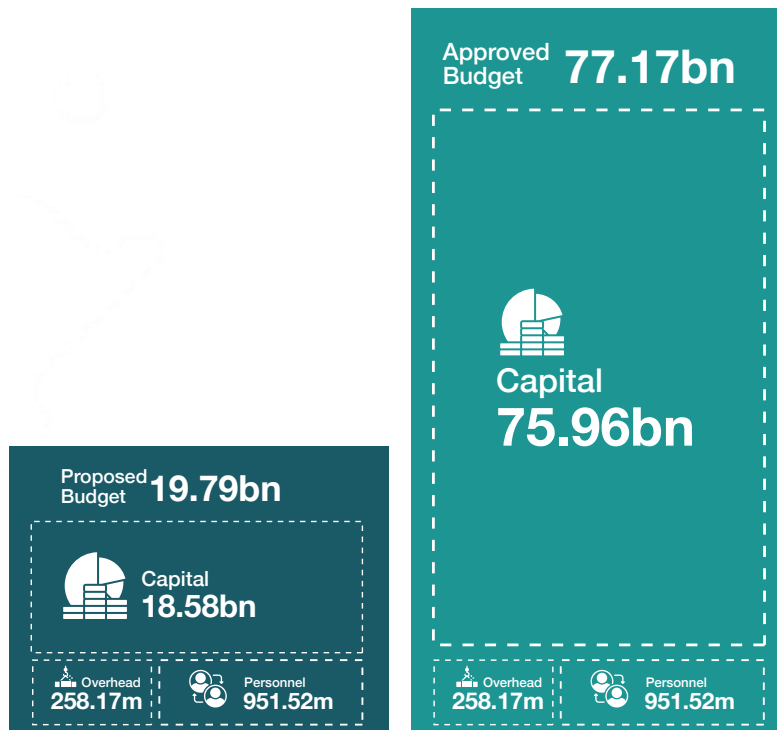
One way the Border Communities Development Agency (BCDA) can significantly improve the lives of residents in these areas is by fostering Public-Private Partnerships (PPPs). Through PPPs, the BCDA can leverage private sector investment alongside government resources to expedite the development of essential infrastructure.

5.1.6 Small And Medium Enterprises Development Agency Of Nigeria (SMEDAN)

96% of businesses in Nigeria are small medium and small scale enterprises SMEs, i.e companies with a workforce of less than 300 individuals. However, owing to a number of challenges, just 20% of SMEs survive beyond 5 years after establishment.⁶⁶ These challenges include limited access to finance, poor infrastructure, limited market access and competition, inadequate skills and capacity, and regulatory and administrative bottlenecks.

The Small And Medium Enterprises Development Agency Of Nigeria (SMEDAN) was established in 2003 to stimulate, monitor and coordinate the development of the MSMEs sub-sector. Their core function include initiating and articulating policy ideas for small and medium enterprises growth and development; promoting and facilitating development programmes, instruments and support services to accelerate the development and modernization of MSME operations; linking MSMEs to internal and external sources of finance, appropriate technology, technical skills as well as to large enterprises; promoting and providing access to industrial infrastructures such as layouts, incubators, industrial parks; and intermediating between MSMEs and Government.

Figure 27: SMEDAN's 2024 Budget



Source: 2024 Appropriation Act, Federal Republic of Nigeria

66- See "Challenges and Solutions Facing SMEs in Nigeria Today: A Comprehensive Guide", by Asadu Uchenna, on 1 June 2023, published in Simplebks (Online). Available at: <https://simplebks.com/blog/challenges-and-solutions-facing-smes-in-nigeria-today-a-comprehensive-guide/>

SMEDAN's 2024 budget was raised from the N19.79bn proposed by the executive to N77.17bn. The capital budget proposal of SMEDAN contained 73 projects with a cumulative value of N19.79bn. However, the National Assembly inserted 213 additional projects jointly costing N57.88bn. A N500mn allocation for the purchase of sewing and grinding machines in the executive budget proposal of SMEDAN was moved to Sheda Science And Technology Complex - Abuja in the approved budget.

Table 13: Nature of insertions in SMEDAN's 2024 Budget

Project	Amount (naira)	As a % of MDA's Budget
Streetlights and Boreholes	6.13 bn	7.95%
Road Construction	2.03 bn	2.63%
Medical Outreaches, Construction of Healthcare Centres and Classrooms	4.70 bn	6.09%
Cars, Tricycles and Motor Bikes	9.79 bn	12.68%
ICT Trainings & Construction of ICT Halls	3.50 bn	4.53%
Vocational Training & Empowerment	10.70 bn	13.86%

Source: 2024 Appropriation Act, Federal Republic of Nigeria

In 2024, SMEDAN's largest allocation is the provision of financial support to students of tertiary institutions in the North West Geo-Political Zone which is clearly outside its mandate. Looking into projects outside the operational scope of SMEDAN, N6.13bn which is 7.95% of SMEDAN's budget was allocated to the installation of streetlights and boreholes; N2.03bn on road construction; N4.7bn on medical outreaches and the construction/rehabilitation of health centres and classroom blocks; N9.79bn on the purchase of cars for traditional rulers and law enforcement agencies, and tricycles and motor bikes for constituents; N3.5bn on ICT trainings and Construction of ICT Halls in communities; and N10.7bn on vocational training programs and empowerment programs.

Table 14: Sample Projects in SMEDAN's 2024 Budget Outside their Scope/Mandate

ERGP Code	Project	Type	Approved Budget (naira)
ERGP20241488	Provision Of Financial Support To Students Of Tertiary Institution In The North West Geo-Political Zones (Multiple Lots)	New	5.00 bn
ERGP20241489	Procurement And Distribution Of Official Vehicles To Selected Traditional Rulers In The Six Geo-Political Zones In Nigeria (Multiple Lots)	New	5.00 bn
ERGP20241490	Construction Of Manual/Solar Boreholes In Some Towns And Villages In Kaduna State (Multiple Lots)	New	2.00 bn
ERGP20245105	Purchase Of Operational Vehicle For Security Purposes Across Oyo,Ogun, Lagos,Ekiti, Ondo And Osun State	New	1.20 bn
ERGP20241491	Provision Of Medical Outreach Services In Some Selected Communities In Kaduna State (Multiple Lots)	New	1.00 bn
ERGP20247642	Construction Of Two Store Buildings Of Classrooms At College Of Education Jibwis Jega In Kebbi Central Senatorial District	New	400.00 m
ERGP20247129	Provision Of Medical Outreach, Consultation, Drugs And Glasses To Rural Areas In Abak & Essien Udim Communities	New	300.00 m
ERGP20247131	Provision Of Medical Outreach, Consultation, Drugs And Glasses To Rural Areas In Ikono & Ikot Ekpene Communities	New	300.00 m
ERGP20247641	Construction Of Female Ward In General Hospital Zauro	New	300.00 m
ERGP20247643	Provision Of Solar Powered Street Lights In Andarai, Mungudi, Karaye, Jan Dutse, Mayalo, Zama, Sabigel And Dakala Villages	New	300.00 m

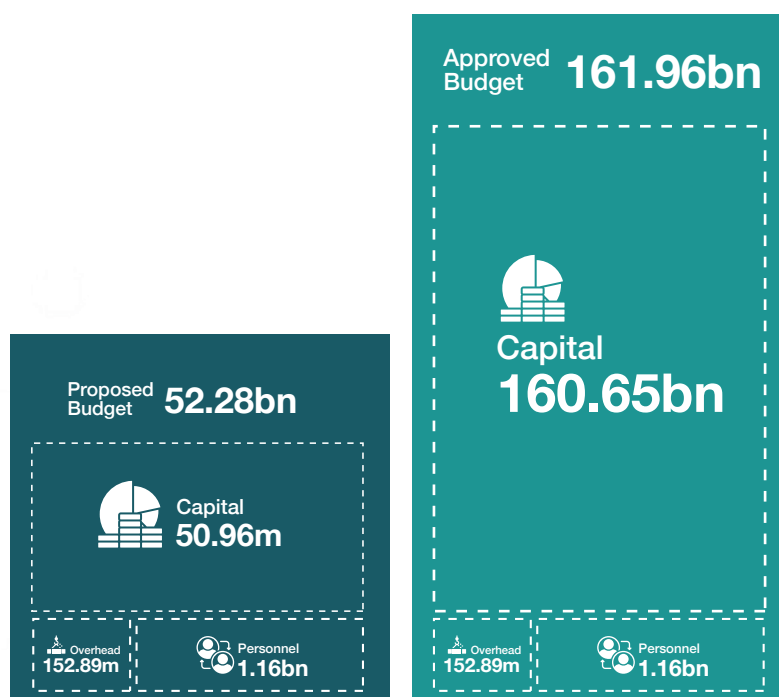
Source: 2024 Appropriation Act, Federal Republic of Nigeria

Ideally, SMEDAN's budget should solely reflect projects and programs focusing on activities related to functions listed above and aimed at solving the aforementioned challenges. Nonetheless, the National Assembly has found SMEDAN a haven for frivolous and constituency-like projects which distracts the agency from its core function. MSMEs are the lifeline and drivers of growth in any vibrant economy. Hence the development of MSMEs, devoid of any distractions, should feature highly on the priority list of any government.

5.1.7 National Building and Road Research Institute (NBRRI)

The National Building and Road Research Institute (NBRRI) is a federal government agency established on the 1st of April 1978 by the Federal Government under the National Science and Technology Development Agency Bill (Now Act) 1977 Research Institute (Establishment) Order 1977. The mandate of the agency is to research local building materials and buildings, as well as the design of buildings to meet Nigeria's climatic conditions regarding lighting, ventilation, thermal comfort, and humidity, also to carry out research analysis on the design and performance of operational units in buildings, such as electrical installations, plumbing, painting, drainage, ventilation, and air conditioning systems.

Figure 28: NBRRI's 2024 Budget



Source: 2024 Appropriation Act, Federal Republic of Nigeria

A 209.82% increase was made to the executive budget proposal of NBRRI by the National Assembly, from N52.28bn to N161.96bn. A disaggregated look at the nature of insertions in the budget of NBRRI reveals that N12.17bn was added to install streetlights and boreholes in several communities across the country, N72.29bn was added to construct/rehabilitate roads, stadia and other works, N895m to purchase electricity transformers, N8.44bn to construct health facilities and procure health equipments and N2.88bn to construct classroom blocks in primary schools.

Table 15: Nature of insertions in NBRRI's 2024 Budget

Projects	Amount (naira)	As a % of MDA's Budget
Streetlights & Boreholes	12.17 bn	7.51%
Roads, Stadia and other Works	72.29 bn	44.64%
Electricity Transformers	895.00 m	0.55%
Health Infrastructure	8.44 bn	5.21%
Education Infrastructure	2.88 bn	1.78%

Source: 2024 Appropriation Act, Federal Republic of Nigeria

It is important to note that the core mandate of the Nigeria Building and Road Research Institute is to conduct research that will be utilised by industry to solve existing challenges with delivering quality road, buildings and other works infrastructure.

As an institution with a mandate to conduct research aimed at enhancing infrastructure and construction standards in Nigeria, it is imperative for the Nigeria Building and Road Research Institute to maintain focus activities within its mandate. The Institute's effectiveness can, however, the core objectives of the institute can be impeded by the inclusion of out-of-mandate projects into its budget. It is recommended to focus the Institute's resources and efforts on research, development and innovation in the field of construction and road building by strictly adhering to its established scope of work. By prioritising projects aligned with its expertise and mission, the institute can optimise its impact, contribute meaningfully to Nigeria's infrastructure advancement, and uphold accountability in the allocation of public funds.

Table 16: Sample Projects in NMRRI's 2024 Budget Outside their Scope/Mandate

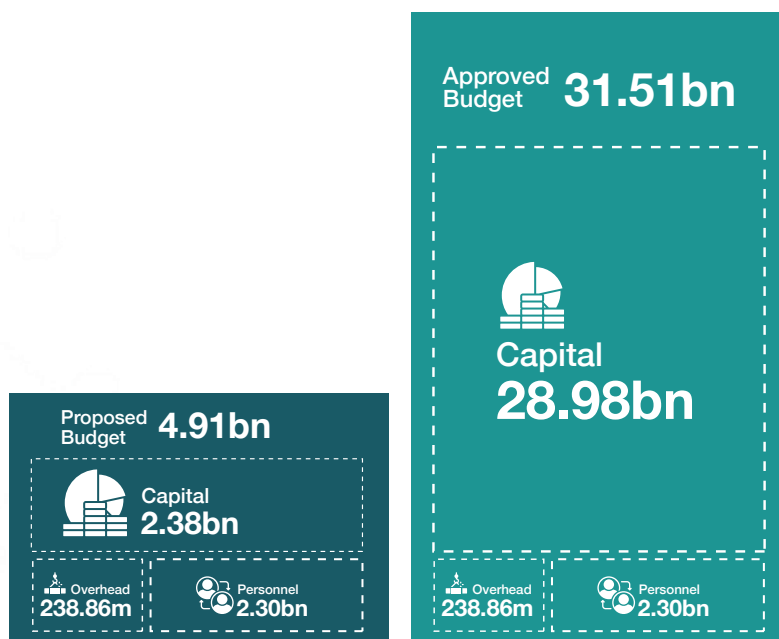
ERGP Code	Project	Type	Approved Budget (naira)
ERGP20244404	Provision Of Integrated 3-In-1 Solar Street Lights In Korokoro And Other Selected Locations Of Obio/Akpor/Khana LGA Rivers State.		1.50 bn
ERGP20244405	Provision Of Solar Powered Boreholes and Construction Of Water Treatment Plants In Ueken, Oyigbo And Other Selected Locations And Some Three In One Solar Light In Port Harcourt Old Township.		1.30 bn
ERGP23173556	Rural Electrification Projects Through The Provision Of Transformers And Connection To Electrical Grid In Different Locations In Imose And Oke Erinja In Nigeria	New	750.00 m
ERGP20241939	Construction Of Health Centre In Different Locations In Obizi.	New	495.93 m
ERGP20247329	Renovation Of Council Chamber And Construction Of Guest Chalets For Minna Emirate Council.	New	300.00 m
ERGP20241929	Construction And Equipping Of ICT Center In Johnangel School Anambra State.	New	297.56 m
ERGP20244402	Construction Of Community Town Hall At Odera Community, New Off Igbe Road, Ikorodu Lagos State - Phase I	New	120.00 m
ERGP20241609	Purchase And Supply Of Two Pick-Up Vehicles For The Proposed College Of Agriculture Nabaje, Katsina State	New	119.02 m
ERGP20243126	Furnishing Of Educational Resource Centre With ICT Equipment In Zurmi L.G.A At Shinkafi/Zurmi Federal Constituency, Zamfara State	Ongoing	100.00 m
ERGP20243130	Empowerment Of Cars, Motorcycle And Pump Generators In Sumaila/Takai Federal Constituency Kano State	New	100.00 m
ERGP20241748	Supply Of Empowerment Materials (Fertilizer) NPK and Urea To The People Of Bindawa/Mani Federal Constituency, Katsina State.		59.51 m

Source: 2024 Appropriation Act, Federal Republic of Nigeria

5.1.8 Nigerian Institute of Transport Technology (NITT)

Established on 14th March 1986, The Nigerian Institute of Transport Technology is mandated by its Enabling Act to specifically provide management training for personnel employed in all modes of transport. NITT provides corporate leadership and strategic management and training, conducts research and advisory services, engages in transport Intelligence and monitoring activities as well as develops and adapts transport technology to suit the country's needs.

Figure 29: Summary of 2024 Budget of The Nigerian Institute of Transport Technology (NITT)



Source: 2024 Appropriation Act, Federal Republic of Nigeria

The Institute's 2024 budget proposal was adjusted upward by 1,118.67% from N4.91bn to N31.51bn. 52 projects were added to the executive budget proposal of NIIT. As included by the National Assembly, N2.04bn was earmarked for streetlights and boreholes, N2.48bn for the supply of students in tertiary institutions, N2.48bn for purchase of medical equipment in primary healthcare centres, etc.

**Table 16: Suspicious Projects in the 2024 Budget of
National Institute of Information Technology**

ERGP Code	Project	Type	Approved Budget (naira)
ERGP20241765	Supply Of Computer Laptops To Students In Tertiary Institutions Across Seven States In The North West Zone Of The Federation	NEW	495.93m
ERGP20241771	Supply Of Specialised Medical Equipment To Selected Primary Health Centres In Communities In The North West Zone Of The Federation	NEW	495.93m
ERGP20241763	Supply Of Computer Laptops To Students In Tertiary Institutions Across Six States In The North Central Zone Of The Federation	NEW	396.74m
ERGP20241764	Supply Of Computer Laptops To Students In Tertiary Institutions Across Six States In The North East Zone Of The Federation	NEW	396.74m
ERGP20241766	Supply Of Computer Laptops To Students In Tertiary Institutions Across Five States In The South East Zone Of The Federation	NEW	396.74m
ERGP20241767	Supply Of Computer Laptops To Students In Tertiary Institutions Across Six States In The South South Zone Of The Federation	NEW	396.74m
ERGP20241768	Supply Of Computer Laptops To Students In Tertiary Institutions Across Six States In The South West Zone Of The Federation	NEW	396.74m
ERGP20241769	Supply Of Specialised Medical Equipment To Selected Primary Health Centres In Communities In The North East Zone Of The Federation	NEW	396.74m
ERGP20241770	Supply Of Specialised Medical Equipment To Selected Primary Health Centres In Communities In The North Central Zone Of The Federation	NEW	396.74m
ERGP20241772	Supply Of Specialised Medical Equipment To Selected Primary Health Centres In Communities In The South East Zone Of The Federation	NEW	396.74m
ERGP20241773	Supply Of Specialised Medical Equipment To Selected Primary Health Centres In Communities In The South South Zone Of The Federation	NEW	396.74m
ERGP20241774	Supply Of Specialised Medical Equipment To Selected Primary Health Centres In Communities The South West Zone Of The Federation	NEW	396.74m

Source: 2024 Appropriation Act, Federal Republic of Nigeria

As seen in the table above, a significant portion of projects in the NITT's budget do not align with its core mandate. Interestingly, quite a number of varying projects seem to cost the same. Proper costing of items appeared not to have been done for a number of projects in the Institute's budget. For example, the likelihood of a medical equipment costing the same amount, to the last unit, as a laptop is very low. It appears that amounts were allocated to projects without due diligence. The probability of Nigeria getting value for the projects listed above is very low. This raises serious concerns about resource allocation efficiency and the prioritisation of funds on activities that do not in any way contribute to the institute's mission and objectives.

06

**Conclusion and
Recommendations**





6.1

Conclusion

In contrast with his predecessors, this is the Tinubu administration's second budget but its first fiscal year. Having passed a supplementary budget worth N2.1tn in 2023 ostensibly to cater to defence concerns, lingering labour wage demands and some controversial allocations, the 2024 budget is the second budget of this administration. Apart from clearly increasing the nation's fiscal deficit to N9.18tn, the lack of data on budget implementation for 2023 means that there is no public knowledge of the budget's impact.

However, the management of the budget process is oftentimes more in breach of these principles than their adherence. This has the effect of undermining the integrity of the budget as a transformative document and undermining the trust and confidence the Nigerian citizens have in their elected officials that preside over the process.

While there are features of the 2024 budget that offer some respite to the challenges thrown up by government actors involved in the process (such as the publishing of the proposed budget of the Government Owned Enterprises-GOEs), there are still numerous aspects of not just the budget process but Nigeria's Public Financial Management system that require reform, at the very least.



The 2024 budget of the Federal Republic of Nigeria is plagued with legacy issues that have become permanent fixtures of the budget process.

The 2024 budget of the Federal Republic of Nigeria is plagued with legacy issues that have become permanent fixtures of the budget process. While there are some positives recorded by the Tinubu administration, such as the discontinuance of funding certain professional bodies by the federal government;⁶⁷ there is still a lot left to be desired. Generally, the budgeting process should adhere to certain principles of public management, namely: accountability, rule of law, participation and transparency (Schaivo-Campo, 2023).⁶⁸

67- See Tunji, S. (January 1 2024). "FG excludes 26 professional bodies from 2024 budgetary allocations" in Nairametrics (Online). Available at: <https://nairametrics.com/2024/01/01/fg-excludes-26-professional-bodies-from-2024-budgetary-allocations/>

68- See Schiavo-Campo, S. (2023). *Public Administration: The Basics*, at p. 74. by Routledge 605 Third Avenue, New York, NY 10158.

6.2

Recommendations

1

Firstly, the National budget appears not to be linked to the broader medium-term planning objectives and goals of the country. This means that expenditure control—a critical component of responsible budgeting—is absent. As a result of the lack of anchoring of the budget on strategic plans, public resources are not hinged on any tangible public goals. BudgIT recommends that the strategic planning function of the National Planning Commission and the Ministry of Budget and Planning be invoked. The Director-General of the Budget Office⁶⁹ has noted in the past that the 2024 budget of Nigeria is insufficient to cater to its size (of government and the economy). Hence, the little that is being budgeted, should be managed according to long-term goals and vision but be anchored to solving clear and present problems of citizens.

2

Secondly, while Nigeria operates a federal structure which has federating units with constitutionally delineated powers, it is important for there to be some level of synergy between the States and the centre. This is to ensure that efforts are not duplicated and the contexts of States are brought into National planning. Where this happens, it can serve to obviate the many insertions by the National Assembly, as the States will be able to articulate their challenges with detail and accuracy. BudgIT recommends that Legislators seek memoranda from their various State Governors on the federal budget proposal, when it is brought for consideration by the Executive. This can be actioned by the function of the Joint Planning Board, as the latter represents cohesive and strategic planning involving both the States and the Federal government. Perhaps the newly formed Economic Management Team Emergency Taskforce (EET)⁷⁰ can take up this challenge, as the latter consists of Cabinet Ministers, the Governor of the Central Bank and State Governors.

69- See Ademola, C. (December 7 2023). "Budget Office: N27.5 trillion budget proposal too small to meet Nigeria's economic obligations" in Nairametrics (Online). Available at: <https://nairametrics.com/2023/12/07/budget-office-n27-5-trillion-budget-proposal-too-small-to-meet-nigerias-economic-obligations/>

70- See Onuah, F. (March 27 2024). "Nigeria unveils revamped economic management structure amid rising hardship" in Reuters (Online) Newspaper. Available at: <https://www.reuters.com/world/africa/nigeria-unveils-revamped-economic-management-structure-amid-rising-hardship-2024-03-27/>

3

Thirdly, the process of budget preparation lacks adequate input from the public. While citizens are perfunctorily called to submit memoranda and participate in the budget proposal consideration process, minimal time is provided and access to the National Assembly is not liberalised (distance and time to respond). BudgIT not only recommends that the process of budget proposal preparation be done in a much speedy manner by the Executive but that the Legislature provides at least one month for the general public to submit memoranda and comments on the budget proposal (this can be done physically or virtually). This would ensure that the budget truly reflects the aspirations of the people and their needs, as it is not clear that the National Assembly is discharging this critical function with public input.

4

Fourthly, the perennial issue of budget padding/insertions cannot be dispensed with, if there is no authoritative pronouncement by the country's highest Court. The National Assembly is unperturbed by the claim that it lacks the ability to toy with the budget proposal and increase it as it sees fit⁷¹ (and there is some support for this by the Executive).⁷² BudgIT has argued⁷³ that this activity by the National Assembly undermines the integrity of the budgeting process and the outcome of the process-governance and national transformation. Previous administrations⁷⁴ have attempted to battle with the National Assembly over these insertions but none has been able to authoritatively end the matter. BudgIT therefore calls upon the Attorney General of the Federation to table the matter before the Court, as a means to determine whether or not the National Assembly has the powers to increase the size of the budget proposal. If anything, the National Assembly ought to review the position provided by the Medium Term Expenditure Framework, as provided by the Fiscal Responsibility Commission, as opposed to waiting for the budget proposal to be sent and presented to them.

71- See Ayloto, N. (June 16 2017). "National Assembly has powers to tamper with budget – Dogara" in Premium Times (Online) Newspapers. Available at: <https://www.premiumtimesng.com/news/top-news/234262-national-assembly-powers-tamper-budget-dogara.html?tz=1>

72- See Egboboh, C. (March 15 2024). "Budget padding: NASS has right to increase national budget, Bagudu insists" in Business Day (Online) Newspapers. Available at: <https://businessday.ng/news/article/budget-padding-nass-has-right-to-increase-national-budget-bagudu-insist/>

73- See generally, Kwaga, V. (Forthcoming). What's Law Got To Do With It? Exploring the Nexus between Compliance and Public Budgeting. BudgIT Foundation.

74- See Onyibe, M. (March 23 2024). "BUDGET PADDING: Remember how lawmakers moved to impeach OBU for trying to stop it?" in the Vanguard (Online) Newspapers. Available at: <https://www.vanguardngr.com/2024/03/budget-padding-remember-how-lawmakers-moved-to-impeach-obj-for-trying-to-stop-it/>. See also Onuah, F. (April 14 2008). "Nigerian president signs amended 2008 budget" in Reuters (Online). Available at: <https://www.reuters.com/article/nigeria-budget-idUKN1438093120080414/>

5

Fifthly, the timely restoration of the Audit function must happen before the budgeting process is sanitised. Despite the consequential nature of the Audit report on the budget (the latter that literally establishes the extent to which the government obtained a value for money in its spending), the latter has continuously not been presented on time for the National Assembly and the general public to carry out any consequential function on it. Recently, the Auditor General of the Federation's report was released and the latter had complained that the yearly recommendations by his office were never implemented.⁷⁵ The National Assembly must ensure that the Audit Report is not only reviewed but allow the public to make inputs and ask questions on its content.

6

Sixthly, the breakdown of the budgets of Government Owned Enterprises, Arms of Government, and Agencies and Commissions is required. While the Tinubu administration was the first to provide the lump sum allocations in the budget proposal, care must be taken to provide this data in disaggregated amounts and in the approved budget. Some Government Owned Enterprises are drivers of change and in some cases bear the risk of business. This means that they should be subject to the highest levels of probity and transparency. This would allow citizens to ask more informed questions about the budget process.

7

Seventh, MDAs that do not have the mandate nor capacity to implement certain projects should not be assigned those projects. As self-explanatory as this may sound, the Budget Office of the Federation should flag any MDA that appears to take up these projects, in order to prevent situations where MDA's carry them out as the regular process for Oversight by the National Assembly appears to ignore such aberrations of responsible government.

75- See Akowe, T. (February 11 2024). "Yearly audit recommendations not implemented, says Auditor General" in the Nation (Online) Newspapers. Available at: <https://thenationonlineng.net/yearly-audit-recommendations-not-implemented-says-auditor-general/>

